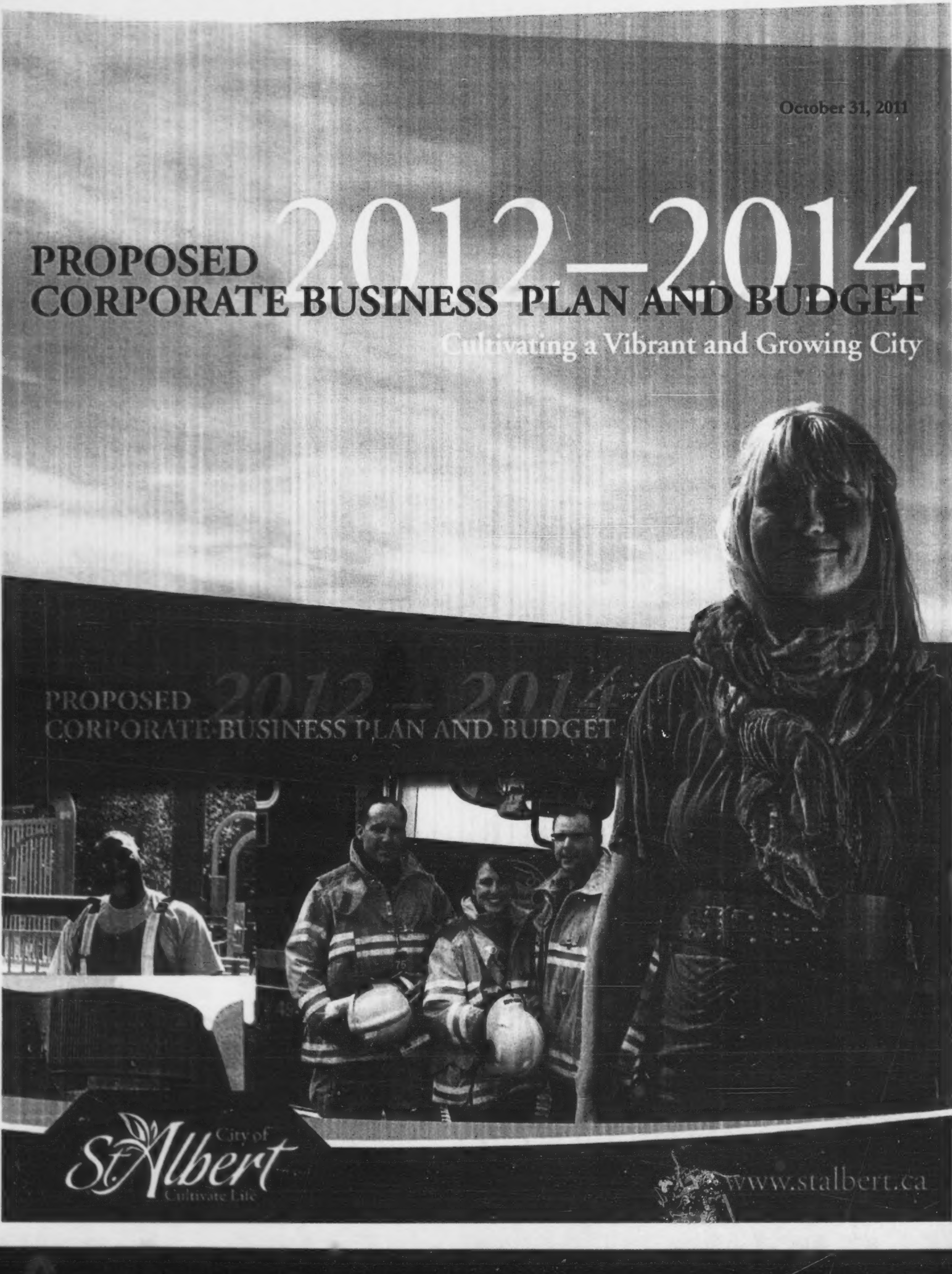
October 31, 2011

PROPOSED 2012–2014 CORPORATE BUSINESS PLAN AND BUDGET

Cultivating a Vibrant and Growing City



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City of St. Albert
Cultivate Life

www.stalbert.ca

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CORPORATE BUSINESS PLAN AND BUDGET
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CORPORATE BUSINESS PLAN

Section A

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EXECUTIVE SUMMARY

Every day the City of St. Albert delivers a number of important services and programs that have a positive impact on the quality of life of more than 60,000 residents and business owners, ranging from clean drinking water, to affordable housing, to community events, to policing, to reliable transit service.

St. Albert has a long and proud history as a vibrant, well-managed City with a strong sense of community. The City's approach to thoughtful planning and taking a longer-term perspective ensures that it continues to evolve to meet the growing needs of the community in a way that is financially sustainable. Its longer-term perspective is reflected in the City's Municipal Development Plan (MDP) and in the various Master Plans (including Economic Development, Tourism, Environmental, Stormwater Management, Utilities, Transportation, Community Infrastructure Assessment, Red Willow Park and Heritage Preservation) and the Long-Term Departmental Plans (LTDPs) that have been developed for Business and Tourism Development, Public Works, Transit, Family and Community Support Services, and Fire/EMS.

The 2012-2014 Corporate Business Plan and Budget describes Council's direction for the planned future of St. Albert, and Administration's strategy for the corporation to ensure Council's direction will be realized. It also reflects activities and initiatives that have emerged from the various Master Plans and LTDPs as well as the direction provided by Council throughout the year in the form of resolutions and policies.

The City's 2012-2014 Corporate Business Plan and Budget was prepared considering the current economic climate and the following Council goals:

- Economic Development
- Land-Use Planning
- Safety and Health
- Social
- Infrastructure
- Environment
- Council Governance
- 150th Anniversary Celebration

Council's emphasis on cost containment, together with continued international economic volatility and modest growth predictions for the Canadian and Albertan economies, have been reflected in a conservative approach to the 2012-2014 Corporate Business Plan and Budget. The resulting plan and budget is focused on three areas: delivering existing services at their 2011 standards, modest improvements to a small number of services and strong fiscal management.

Delivery of Existing Services

The 2012-2014 Corporate Business Plan and Budget reflects the City's ongoing commitment to continue to deliver the current range of City services in such areas as community safety, transit, recreation, culture, police and fire services, City beautification and social support. The delivery of these services will be done in accordance with the City's established standards of service.

Continuing to meet service standards and to provide a full suite of municipal services will be challenging. As a mid-sized city, St. Albert does not have the economies of scale that larger cities have in providing such services as transit and public utilities and so must recoup these costs from a smaller population base. The City faces significant cost pressures and its base cost of operations is increasing while revenues are relatively flat. The costs associated with maintaining an infrastructure of over $700 million in assets alone are significant.

Providing existing services at current levels of service accounts for more than 85% of the increased operating costs of the 2012-2014 Corporate Business Plan and Budget.

Improvements to Services

Given the uncertain economic environment, there is limited capacity for service enhancements. Thus, resources have been allocated to target improvements in services in a few selected areas such as enhancing transit routes in North Ridge and improving the City's resident engagement capability through new communication channels such as social media.

The 2012-2014 Corporate Business Plan and Budget will also build upon the success of the St. Albert 150th Anniversary Celebration by continuing with well-received programs such as a Family Day Event. Similar programs and services that may have originated with grant funding, but for which there is strong resident support have been incorporated into the ongoing operations of the City.

Included in the 2012-2014 Corporate Business Plan and Budget are a number of business cases and initiatives related to maintaining or improving services, programs or operations. These business cases – with a net value of $1,131,000 – are proposed by Administration as either instrumental to meeting Council's goals and the Corporation's objectives or key to addressing immediate operational pressures. Choices were made to delay or defer a large number of additional service improvements that were deemed unaffordable in the current economic climate.

Strong Fiscal Management

The effects of inflation and external factors, such as contract settlements, continue to put pressure on the cost associated with delivering the City's programs and operating its infrastructure. Cost increases for insurance, electricity, wages, fuel and materials strain the

City's ability to maintain current levels of service within existing budget. Other impacts, such as regulatory or compliance related changes (i.e., transit, environmental) also have an effect.

The City's weighted growth used for 2012 property tax is projected to be 1.4%[1] and will only partially offset the effect of these cost pressures. Despite inflationary pressures and the fact that the weighted municipal tax rate increase over the last five years has been 3.88%, the proposed weighted increase for 2012 is 2.9%.

To ensure that cost pressures do not erode current programs or services, Administration will continue to seek efficiencies within civic operations, either to reduce costs or to improve the delivery of services to residents. The 2012-2014 Corporate Business Plan and Budget will continue this practice, including continuous improvement initiatives in the Corporate Plan as well as a wide range of such projects in individual Department Business Plans.

Other examples of strong fiscal management include the City's approach to infrastructure financing which focuses on repair and rebuilding first, rather than complete replacement. The City utilizes a lifecycle management approach to maintain or replace its equipment and infrastructure which also contributes to more stable and predictable planning and budgeting year over year. The City's 10-Year Capital Plan and 3-Year Capital Budget have also been developed to ensure that resources are targeted toward the necessary critical investments in St. Albert's transportation and infrastructure to position the community for future growth. With the exception of the funding for the Ray Gibbon Drive extension and Servus Credit Union Place, capital projects will continue to be self-financed rather than funded through debt.

User fees, licenses and permits will continue to be calculated based on a user pay philosophy and Council's approved policy framework. Utility rates are based on the City's comprehensive 100-year utility rate model that considers the costs of service delivery, capital replacement, and available reserve balances. Proposed utility rate increases are 8.3% in 2012 plus an additional 1.2% associated with Riel Park redevelopment, totalling 9.5%.

The 2012-2014 Corporate Business Plan and Budget does not supply all the resources required to satisfy all the needs facing the City; rather, it strikes the appropriate balance between responding to resident requests, minimizing tax and fee increases and ensuring the necessary longer-term investments for the City to continue to thrive.

The City of St. Albert is committed to remaining a vibrant, strong and progressive community serving as a leader in responsible municipal governance and management. The 2012-2014 Corporate Business Plan and Budget reflects a financially sustainable and responsible approach to meeting the needs of St. Albert residents and business owners.

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[1] Estimated assessment growth for 2011 is used to calculate the proposed tax rate for 2012.

INTRODUCTION

The 2012-2014 Corporate Business Plan and Budget describes Council's direction for the planned future of St. Albert and Administration's strategy for the corporation to ensure Council's direction will be realized. Accordingly, both Council and Administration have a mission, set of values and a vision which serve as important context for this document.

In addition to aligning Council and Administration actions, the 2012-2014 Corporate Business Plan and Budget guides the delivery of programs and services at the departmental level and reflects the allocation of resources, including any new expenditure. Please see Appendix A for further details on the Corporate Planning Framework.

The City's 2012-2014 Corporate Business Plan and Budget was prepared considering the current economic climate and Council's goals and priorities. Council reviews and updates its goals and supporting priorities on a regular basis. Please see Appendix B for additional detail on Council's goals and priorities.

Council's emphasis on cost containment together with the continued volatility, uncertainty and modest growth predictions for the Canadian and Albertan economies, have been reflected in a conservative approach to planning and budgeting. In the context of this challenging economic environment, Administration established a number of corporate assumptions to guide the development of the 2012-2014 Corporate Business Plan and Budget. These assumptions include measures of expected assessment and population growth, cost inflation, and economic growth. Appendix C provides additional information on the corporate planning assumptions and other strategic inputs that guided the development of this plan and budget. Throughout the year, Administration monitors various key strategic inputs and makes the necessary adjustments.

Included in this document is a Financial Summary – a comprehensive and detailed accounting of the City's revenues and financial requirements. Also included in this document are recommended business cases to maintain or improve City services, programs or operations.

The 2012-2014 Corporate Business Plan and Budget will serve as the City's roadmap for the next three years, guiding investments in priorities, activities, projects, initiatives, programs and services. Accordingly, performance measures have been developed and targets set for monitoring progress and results. Additional information on performance measures and targets has been included in Appendix D. A glossary of the terms used in this document has been included as Appendix E.

COUNCIL'S DIRECTION

City Council provides strategic direction to Administration through a variety of forward-looking policies and governance. Council's overall strategy – composed of its vision, mission, values and goals – serves as the predominant governance direction for the Corporation. Council also provides more specific guidance by developing and updating a list of priorities for Administration to focus on within a particular fiscal year. This combination of Council strategy and priorities serve as the foundation for building the annual Corporate Business Plan and Budget.

Council's Mission

As community elected leaders, Council's mission is to:

> *Represent the citizens of St. Albert, make decisions in the best interests of the entire community and ensure the corporation delivers results that will sustain a high quality of life for St. Albertans.*

Council's Values

Council's values reflect Council's behaviour and their approach to decision making:

- **Community:** Consider best interests of the community
- **Engagement:** Engage residents and stakeholders in City Council and community matters
- **Integrity:** Behave consistently with our values
- **Respect:** Respect and consideration for all people and their perspectives
- **Stewardship:** Practice fiscal stewardship
- **Trust:** Earn and retain trust
- **Understanding:** Understand the issues – be curious, informed and prepared
- **Unity:** Move forward as one body on decisions

Council's Vision

Council's vision for the community guides the development of the Corporate Business Plan and Budget:

> *As the Botanical Arts City, St. Albert is recognized throughout the region as a vibrant and thriving urban centre with a strong sense of community.*

Council Goals and Priorities

Council has developed a set of goals to describe what should be accomplished during their term in office in order to achieve their vision. These goals guide the City, as a corporation, in its planning.

Council's goals are defined as follows:

- **Economic Development**: Increased businesses, visitors and investment are achieved to strengthen and diversify St. Albert's economy.
- **Land-Use Planning:** Necessary decisions are made to support progress of undeveloped and infill areas.
- **Safety and Health**: Initiatives are implemented to augment safety and health for St. Albertans.
- **Social**: Plans and initiatives are delivered to strengthen St. Albert's social fabric.
- **Infrastructure**: Appropriate infrastructure investments are made to meet the community's need for mobility, recreation, collaboration and beautification.
- **Environment**: Initiatives are supported and implemented to ensure preservation and enjoyment of natural areas.
- **Council Governance**: Policies, practices and agreements are evaluated to reduce residential tax burden and improve operational efficiency and accountability.
- **150th Anniversary Celebration**: St. Albertans celebrate our history, arts and culture.

Council has also established priority areas of focus for each of these goals, provided in detail in Appendix B. Monthly and quarterly reports to Council highlight the progress in achieving these priorities.

CORPORATE STRATEGY

Administration has developed a strategy for the corporation that aligns with and supports the achievement of Council's Direction. The Corporate Strategy is based on knowledge and understanding of Council's expectations, trends impacting municipalities, feedback collected from Leadership Team and staff, and knowledge and expectations of the corporation.

Corporate Mission

We provide excellent service that enhances the quality of life for the community and aligns with Council's direction.

Corporate Values

- **Excellence:** We always do our best, meet our commitments and ensure our efforts are focused on caring for the community and the environment.
- **Ethics:** We communicate openly and honestly, and work with each other and the community in a safe, mutually respectful manner.
- **Empowerment:** We are creative and innovative, sharing our expertise and benefiting from the power of teamwork.
- **Encouragement:** We encourage and support one another through our work and learning opportunities while always striving to improve performance.
- **Enjoyment:** We enjoy our work and our professional environment, while maintaining a work/life balance.

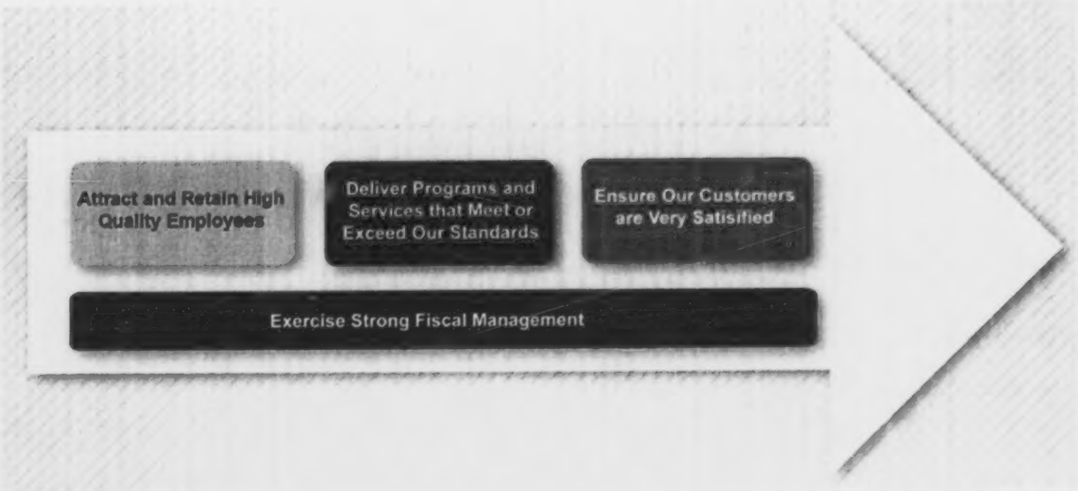
Corporate Vision

Pride of the community; Leaders in the region

Corporate Objectives

The corporate objectives provide specific direction over a period of time toward the achievement of the vision. Figure 1 illustrates the 2012 Corporate Objectives.

Figure 1: Corporate Objectives


Attract and Retain High Quality Employees
Deliver Programs and Services that Meet or Exceed Our Standards
Ensure Our Customers are Very Satisified
Exercise Strong Fiscal Management

Performance Measures

Administration has identified performance measures for each of the corporate objectives and has selected measures that support Council priorities. These performance measures include targets for performance Administration hopes to achieve, recognizing that some elements of the performance measure are outside of the City's direct control. Accountability for performance against targets and for progress against Council priorities is demonstrated through quarterly reports to Council and residents.

In 2012-2014 the City will continue to enhance accountability and reporting by refining its approach to performance measurement. This refinement will include determining the optimum set of performance measures and targets, the appropriate use of comparator data, enhancing analysis and improving reporting. In some instances, indicators may also need to be developed for some of the performance measures.

Attract and Retain High Quality Employees

- Percentage of times a position is filled on the first competition
- Percentage of top candidates who accept offer of employment
- Overall employee satisfaction
- Employee engagement index
- Retention Rate of employees
- Workplace Safety

Deliver Programs and Services that Meet or Exceed Our Standards

Council goals and priorities that are reflected in these performance measures are Safety and Health, Environment, Social, and 150th Anniversary.

- Increase in number of assets, beyond the base line results for the 40 Developmental Assets for youth
- Fire services average response time index
- Number of criminal code offenses per 1,000 residents
- Number of injury collisions per 1,000 residents
- Number of non-injury collisions per 1,000 residents
- Per capita water consumption
- Per capita solid waste generation
- Solid waste diversion
- Greenhouse gas emissions (corporate and community)
- Annual per capita transit ridership
- Number of 150th Year Celebration activities that occur in the City

Ensure Our Customers are Very Satisfied

Council goals and priorities that are reflected in these performance measures are Health and Safety, and Council Governance.

- Percentage of residents that agree St. Albert is a safe place to live
- Percentage of residents that rate the overall quality of life in St. Albert as positive
- Percentage of residents that perceive value for tax dollar
- Percentage of residents that are satisfied with the services provided by the City of St. Albert

Exercise Strong Fiscal Management

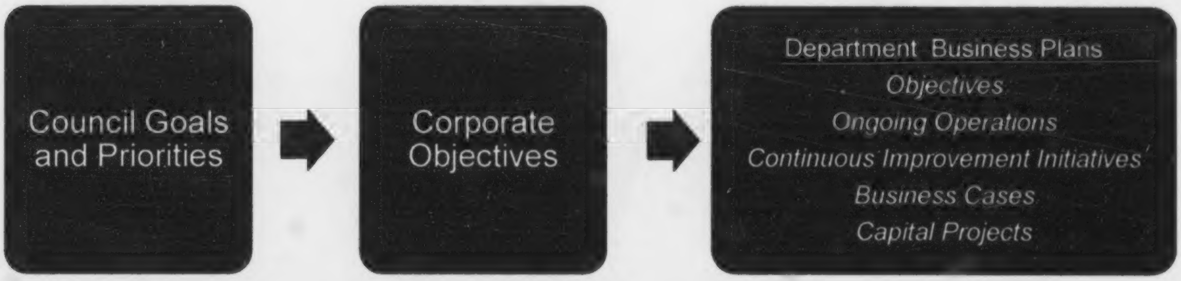
Council goals and priorities that are reflected in these performance measures are Economic Development, Land-Use Planning, Infrastructure and Council Governance.

- New development construction value
- Number and type of business licenses
- Percentage of non-residential and residential assessment
- Percentage of non-residential and residential tax revenue
- Municipal Capital spending by funding source
- 10-year capital plan by expenditure category (re-investment, enhancement and growth)
- 10-year capital plan by asset category
- 10-year capital plan – funded versus unfunded
- Cost per capita for municipal services compared to other municipalities
- Investment income meets or exceeds the monthly T-Bill rate
- Sources of operating revenue
- Percentage of residential tax increase to maintain service levels, compared to Municipal Price Index

Connecting Council Priorities, Corporate Objectives and Department Business Plans

Administration has translated each of Council's goals and priorities into actionable operational strategies for the three-year period of this business plan. Figure 2 illustrates the process flow connecting Council Priorities, Corporate Objectives and Department Business Plans.

Figure 2: Council Goals and Priorities, Corporate Objectives and Department Business Plans


Council Goals and Priorities
Corporate Objectives
Department Business Plans
Objectives
Ongoing Operations
Continuous Improvement Initiatives
Business Cases
Capital Projects

Departments have established objectives in their individual business plans in support of Council Goals and Priorities and Corporate Objectives.

Each Department Business Plan includes a number of activities related to ongoing operations. In addition, all departments are responsible for pursuing opportunities to enhance the efficiency, effectiveness and economy of their operations.

Continuous Improvement

The City is committed to operating efficiently and effectively in order to maintain its sustainability and maximize the value it provides to its residents. The City is also committed to ensuring that the financial support it offers to various community organizations providing services on behalf of the City is appropriately administered and structured to achieve desired outcomes.

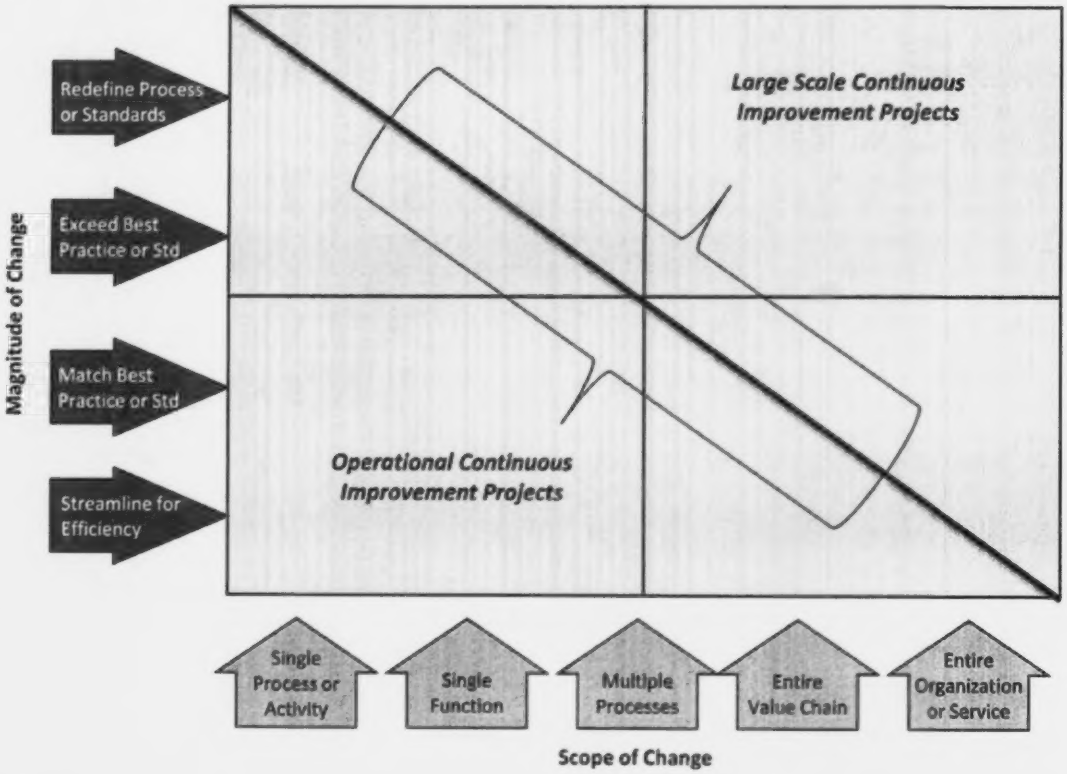
To meet these objectives the City has established a Continuous Improvement Program that will systematically identify and reduce redundancies, enhance productivity, and adjust business practices to better meet the requirements of customers, employees, and ultimately residents.

The Continuous Improvement Program focuses on City operations (internal reviews) as well as external organizations that receive ongoing municipal operational funding (external reviews). In undertaking continuous improvement projects, the right balance will be struck between cost minimization, revenue maximization, and quality enhancement in program and service delivery.

The Continuous Improvement Program consists of two streams of activity:

- Large-scale continuous improvement projects that examine a significant scope of the operations of the City, an entire organization or service or which will involve a considerable degree of change.
- Smaller scale or operational-level continuous improvement projects that examine one particular process, element or function.

Figure 3: Continuous Improvement Framework


Redefine Process or Standards
Exceed Best Practice or Std
Match Best Practice or Std
Streamline for Efficiency
Magnitude of Change
Large Scale Continuous Improvement Projects
Operational Continuous Improvement Projects
Single Process or Activity
Single Function
Multiple Processes
Entire Value Chain
Entire Organization or Service
Scope of Change

During the City's annual business planning and budget process, the City Manager will propose a list of large-scale continuous improvement projects for the upcoming year as well as a tentative list for the following two years. These projects will be proposed based on the potential value and positive benefits that might accrue to the City and its residents.

For the 2012-2014 Corporate Business Plan and Budget, the City Manager will provide this list to Council as part of the planning and budgeting deliberations. In future years, the proposed list will be included in the Proposed Corporate Business Plan and Budget.

In addition to these large-scale continuous improvement projects, a significant number of smaller scale or operational-level continuous projects have been included as part of Department Business Plans. These types of projects are reflective of the culture of continuous improvement within the City.

Examples of the broad range of smaller-scale continuous improvement opportunities include streamlining the business licensing process, reviewing roles and operating models for cultural services, exploring partnership opportunities related to fire services training, reviewing existing service contracts for all City facilities and enhancing the monthly accounting process.

A summary of the results of the Continuous Improvement Program will be provided annually.

Business Cases and Capital Projects

If there are new operating or capital requirements, departments prepare a business case. Business cases are detailed proposals outlining the initiative, the financial implications (either additional revenues that will be generated or expenditures that will be required such as capital, staff, program costs, materials), the key challenges or opportunities, as well as potential risks of not approving the business cases. Capital projects are reflected in the capital investments planned for 2012.

The following business cases and capital projects are proposed by Administration for 2012. These business cases further the achievement of Council Priorities and each of the Corporate Objectives.

Attract and Retain High Quality Employees

Operating Business Cases	Capital Projects
Classification System Review	
Employee Survey Action Plan Implementation Fund	
Safety Procedures – Computer Based Training Modules	

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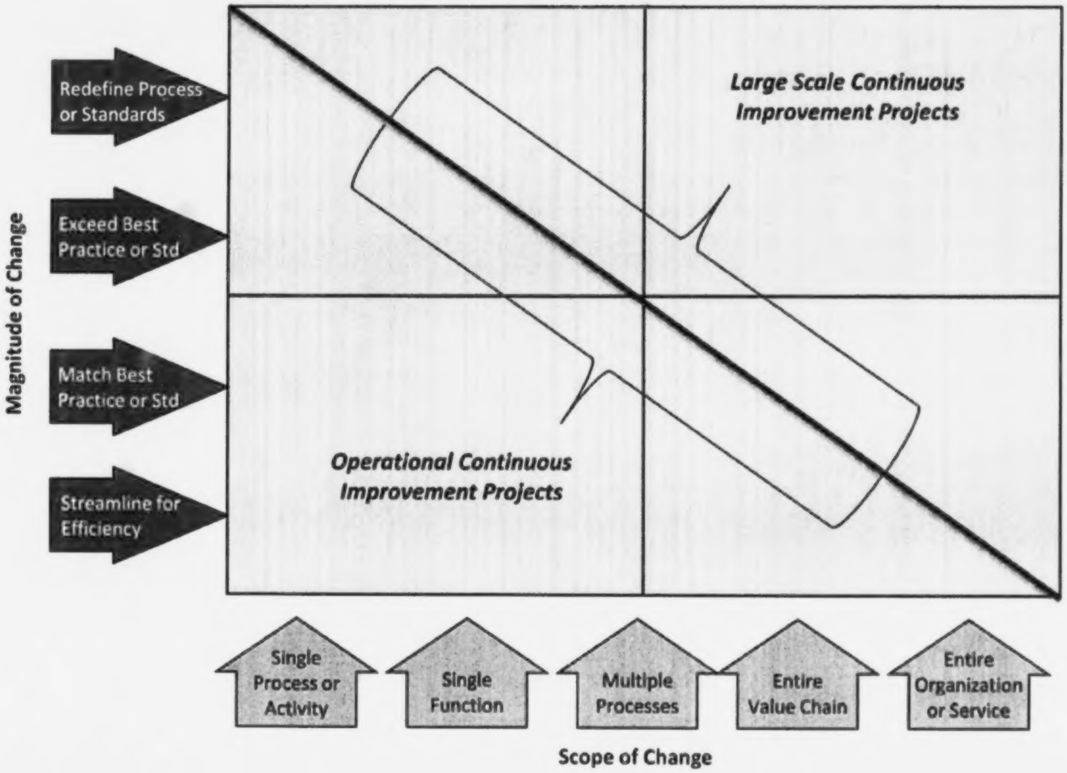
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Attract and Retain High Quality Employees

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Classification System Review	
Employee Survey Action Plan Implementation Fund	
Safety Procedures – Computer Based Training Modules	

Deliver Programs and Services that Meet or Exceed Our Standards

Operating Business Cases	Capital Projects
Administrative Assistant - Planning	Aquatics Lifecycle Plan
Canadian Police Information Centre (CIPIC) Coordinator	Community Capital Program
Corporate GIS Operating Fund	East St. Albert Water Supply Main
Crack Sealing Maintenance	Emergency Services Equipment Replacement Plan
Crime Analyst	Firestation #1 Concept Planning
Database Support Analyst – Information Technology Services	Intelex EHS Module
Development Review Support Staff	My City Application (Tempest Software)
Field of Honour Sign – St. Albert Cemetery	Oakmont Pump House Upgrades
Former Public Works Yard Environmental Monitoring	Office Automation Program
Portable Photo Enforcement Laser Camera	Sedimentation and Erosion Control Plan
RCMP Supervisor Position	Office Systems Replacement Plan
Records Destruction	Public Works – St. Albert Place
Records Scanning	Public Works Mobile Equipment Replacement Plan
Security Enhancements at Servus Place	Public Works Shop Equipment and Yard
Social Master Plan	Riel Park Redevelopment Phase 3 and 4
St. Albert Trail and Boudreau Road Corridor Safety Review	Risk Management Information Software
	South Transit Station/Park & Ride-Land and Construction
	Space Planning - City Administration
	Stormwater Infrastructure Rehabilitation
	Transit Replacement Plan
	Waste Water Rehabilitation Program
	Wastewater Lift Station Rehabilitation
	Wastewater Main Replacement
	Water Main Oversizing
	Water Network Level of Service
	Water System Infrastructure Rehabilitation

Ensure Our Customers are Very Satisfied

Operating Business Cases	Capital Projects
City Wide Clean-up	Arden Theatre Replacement Plan
Community Beautification	Arterial Road Asphalt Overlay Program
Family Day Community Event	Barrier Wall on St. Albert Trail Rehabilitation
Front of House Coordinator – Arden Theatre	Chevigny House
North Ridge Service - Transit	City Parks Refurbishment Plan/Implementation
Partners in Park – Enhanced Project	Collector Road Reconstruct Program
Social Media and Web Coordinator	Collector/Local Road Asphalt Overlay Program
Spirit of St. Albert Mural Restoration	Dog Waste Collection Bag Dispensers
St. Albert Celebrates Canada Day	Entrance Landscaping Beautification
	Entrance Signage
	Local Road Reconstruct Program
	Mountain Bike Skills Park
	Permanent Line Marking Rehabilitation
	Public Works Regulatory and Street Signage Upgrades
	Ray Gibbon Drive Stage 3
	Red Willow Trail Overlay Program
	Security Camera Additions
	Servus Place Life Cycle Replacement Program
	Sidewalk Program
	Special Olympics Legacy Project
	Sportfield Refurbishment Program
	Steinhauer Sculptures (Payment)
	Stormwater Management Level of Service Requirements
	Public Works Subdivision Signage and Amenities
	Transportation Systems Management (Signals)
	Tree Planting Bellerose Boulevard
	Veness Road Upgrade (142 St.)
	Wastewater Collection System Level of Service
	Wastewater Household Service
	White Spruce Forest Planning

Exercise Strong Fiscal Management

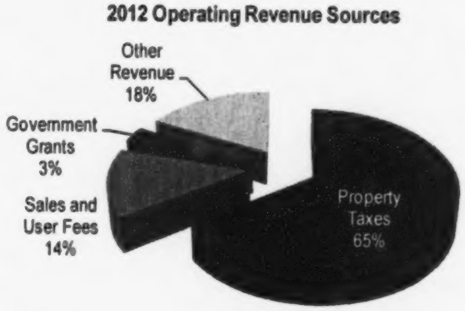
Operating Business Cases	Capital Projects
Accounts Payable Coordinator	Public Works Energy Efficiency Program
Capital Envelope Rebalancing	
Utility Fiscal Policy	
Water Conservation Rebate Program	

FINANCIAL SUMMARY

The state of the local, provincial and federal economies continues to impact St. Albert's ability to deliver services and make the infrastructure investments that residents have come to expect. St. Albert, like other mid-sized cities, felt the impact of a hot economy in past years through upward pressure on wages, recruitment and retention challenges, high energy costs, and high inflation for the cost of capital construction. While the recent economic downturn has provided some respite from these pressures, the recession has negatively impacted some of the City's revenue streams including investment income, natural gas franchise fees and provincial grants.

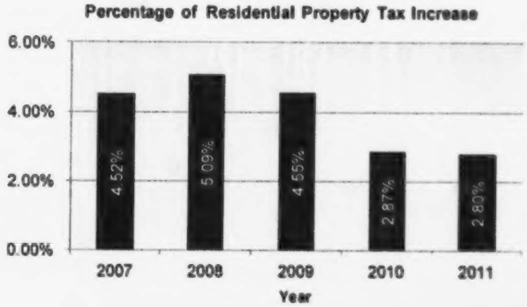
The City of St. Albert is also challenged as it delivers a suite of large city services, many of which require significant investments. As a mid-sized city, St. Albert doesn't have the economies of scale that larger cities have in providing such services as transit and public utilities and so must recoup these costs from a smaller population base.

St. Albert derives only 11% of its property tax assessment from commercial and industrial properties. The average for cities in Alberta is approximately 28%. As a result of this assessment mix and the demand for such a wide array of services, St. Albert's residential property tax continues to be at the upper end of the Capital Region. While this disparity is somewhat lessened when the average cost of City utilities and the low level of gas and non-existent electric franchise fees are included, there is still pressure on St. Albert to maintain a lower annual tax increase than other municipalities in the region.



Assessment Growth: In general terms, property tax generated from assessment growth is used to fund the extension of services related to population growth. The City has experienced an average assessment growth of 3.38% over the past 10 years, with estimated growth for 2011 being 1.4%. Currently, the projection for assessment weighted growth for 2012 is 2.7%, 2013 is 2.9% and 2014 is 2.9%.

Property Taxes: The average municipal tax rate increase over the last five years has been 3.88%. The proposed increase to the municipal tax rate in 2012 is 2.9%.



Exercise Strong Fiscal Management

Operating Business Cases	Capital Projects
Accounts Payable Coordinator	Public Works Energy Efficiency Program
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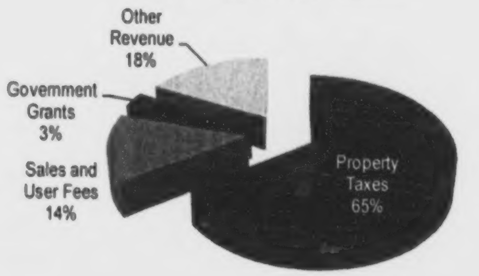
The City of St. Albert is also challenged as it delivers a suite of large city services, many of which require significant investments. As a mid-sized city, St. Albert doesn't have the economies of scale that larger cities have in providing such services as transit and public utilities and so must recoup these costs from a smaller population base.

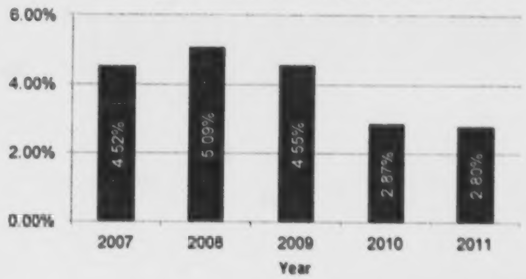
St. Albert derives only 11% of its property tax assessment from commercial and industrial properties. The average for cities in Alberta is approximately 28%. As a result of this assessment mix and the demand for such a wide array of services, St. Albert's residential property tax continues to be at the upper end of the Capital Region. While this disparity is somewhat lessened when the average cost of City utilities and the low level of gas and non-existent electric franchise fees are included, there is still pressure on St. Albert to maintain a lower annual tax increase than other municipalities in the region.



2012 Operating Revenue Sources

Assessment Growth: In general terms, property tax generated from assessment growth is used to fund the extension of services related to population growth. The City has experienced an average assessment growth of 3.38% over the past 10 years, with estimated growth for 2011 being 1.4%. Currently, the projection for assessment weighted growth for 2012 is 2.7%, 2013 is 2.9% and 2014 is 2.9%.

Property Taxes: The average municipal tax rate increase over the last five years has been 3.88%. The proposed increase to the municipal tax rate in 2012 is 2.9%.



Percentage of Residential Property Tax Increase

Grant Revenue: The City will continue to receive Provincial infrastructure funding under the following programs:

- BCG – Basic Capital Grant (annually $3.5 million or $60/capita)
- MSI – Municipal Sustainability Initiative (2012-2016: $12.4 million per year)
- Federal Gas Tax (2012-2013: $3.2 million per year)

These grants are being used to address the City's substantial infrastructure and other capital needs.

Municipalities may not use these grants to reduce property taxes; however, taxpayers will benefit as the City's infrastructure deficit will be addressed without requiring future tax increases.

User Fees: The City has adopted a user-pay model, which continues to see program users pick up a portion of the cost associated with various programs and services. User fees and usage are monitored to determine whether fees should be adjusted.

Investment in Municipal Services: City departments are working on Long-Term Department Plans (LTDP) to effectively manage the delivery of municipal services. The department plans set out the future department operations and the resources required to support these operations. Five LTDPs have been completed: Transit, Family and Community Support Services, Fire/EMS, Business and Tourism Development and Public Works.

Full-time equivalents: The services provided to residents rely heavily on the human resource component. The 2012-2014 Proposed Corporate Business Plan and Budget includes an additional eight full-time equivalents (FTE).

Investment in Capital: The 10-Year Capital Plan identifies approximately $210 million in capital investments. The Plan includes projects in roads, sidewalks and facilities, which were identified in recent infrastructure studies as high spending priorities.

Debt Financing: The majority of the 10-Year Capital Plan has been built around pay-as-you-go, reserve and grant funding, and internal financing. The City will remain within the debt limits established through City policy and as set out by the Province. The City has no utility debt, and existing municipal debt (with the exception of debt related to Servus Credit Union Place and Ray Gibbon Drive) will be fully repaid by 2013.

The following table outlines the proposed Municipal Operations Budget for 2012-2014.

Table 1: 2011-2014 Financial Summary – Municipal Operations

2011 – 2014 Financial Summary – Municipal Operations NET COST				
	2011 Budget	2012 Proposed	2013 Plan	2014 Plan
Council	649,200	681,400	688,400	691,100
City Manager's Office	392,500	397,100	397,500	397,500
Business & Strategic Services				
Corporate Strategy and Business Management	756,700	737,100	749,500	757,900
Business & Tourism Development	490,200	468,500	451,700	434,300
Corporate Communication & Marketing	646,000	773,400	768,100	806,800
	1,892,900	1,979,000	1,969,300	1,999,000
Community & Protective Services				
Community Services Administration	763,000	840,000	845,800	854,300
Culture Services	1,828,600	1,835,000	1,854,400	1,864,700
Family and Community Support Services	677,900	660,900	712,700	743,300
Fire Services	10,656,400	10,804,900	10,906,700	10,985,100
Police Services	5,347,600	5,657,500	5,883,600	6,140,500
Recreation Services	2,905,800	2,916,900	2,967,600	2,992,500
Servus Credit Union Place	798,300	837,400	1,234,100	1,234,900
	22,977,600	23,552,600	24,404,900	24,815,300
Planning & Engineering Services				
Engineering Services & Admin.	5,420,100	5,537,000	5,624,000	5,877,100
Planning & Development	737,100	881,300	913,400	934,600
Public Works	12,007,200	12,418,000	12,720,100	12,798,700
Transit Services	5,950,900	6,757,400	7,006,600	7,407,500
	24,115,300	25,593,700	26,264,100	27,017,900
Corporate Services				
Assessment & Taxation Services	254,300	217,900	203,200	182,700
Financial Services	2,432,600	2,447,700	2,474,700	2,491,500
Human Resources	1,543,200	1,575,700	1,586,100	1,590,700
Information Technology Services	2,111,500	2,118,900	2,134,500	2,141,700
Legal Services	1,158,000	1,162,900	1,181,100	1,189,400
Legislative Services	710,400	736,400	745,300	753,200
	8,210,000	8,256,500	8,324,900	8,349,200

	2011 Budget	2012 Proposed	2013 Plan	2014 Plan
Common & Fiscal Services				
Tax Revenue & Requisitions	271,400	60,700	40,700	40,700
Corporate Financial	-2,752,600	-2,508,400	-831,500	729,700
Capital Financing	14,721,200	14,721,200	14,535,700	14,535,700
Outside Agencies	3,797,200	4,100,100	4,214,100	4,320,900
	16,037,200	16,373,600	17,959,000	19,627,000
Sub Total	74,274,700	76,833,900	80,008,100	82,897,000
Business Cases (Net)				
2012	-	655,000	1,104,900	1,199,100
2013	-	-	1,232,200	1,287,600
2014	-	-	-	616,000
	-	655,000	2,337,100	3,102,700
Total Municipal Tax Requirement	74,180,300	77,488,900	82,345,200	85,999,700

Utility Operations

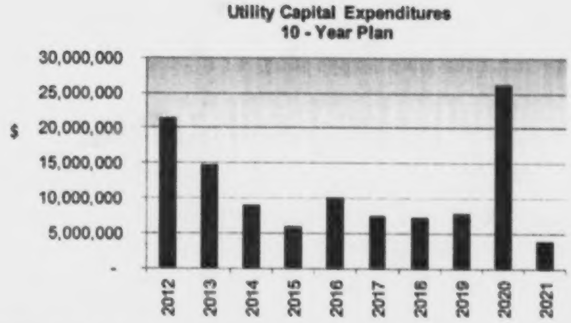
Many utility organizations are dealing with the replacement of aging infrastructure and the ongoing effect of improving environmental standards. These changes are creating significant pressure to increase utility rates. The City is on the leading edge of addressing infrastructure needs by undertaking comprehensive engineering assessments of its infrastructure. The City of St. Albert can now measure the condition of its existing infrastructure and project the cost of future infrastructure work. At the same time, the City is challenged to make sure its infrastructure continues to be reliable and is making effective use of new government funding in order to minimize rate increases.

Utility Fiscal Policies: The overarching principle for the City's utility operations is that they be self-sustainable. Utility fees are calculated using the following Council direction:

- utilities are self sustaining
- account for future replacement of existing infrastructure

Infrastructure Review: Utility rates have been calculated to provide sufficient revenue to fund operations and future capital costs in accordance with the utility fiscal policies. When the utility fiscal policies were adopted, it was noted that additional capital costs might be identified when the condition of the infrastructure was reviewed. Phase 1 of the infrastructure study identified $38 million in utility infrastructure needs. The findings of Phase 1 and the initial work of Phase 2 of the infrastructure study have been included in the 100-year model and are reflected in the City's proposed 2012-2014 rate structure.

Utility Capital Costs: The 10-Year Capital Plan for utilities calls for $98 million to maintain existing reliable services and another $16 million to meet enhancement and growth needs. With the City's utilities operating as a separate fund, all costs associated with operations, replacement of existing infrastructure and the addition of new infrastructure will be funded either through utility rates, grants or developer contributions.



Infrastructure Grants: The approach used to determine the long-term financing of the utility fund was to minimize customer rate increases to a maximum of 9.5% per year. The 2012 budget includes utility capital projects of $21.4 million, the 2013 budget includes projects of $14.8 million and the 2014 budget includes projects of $9.0 million.

The utility capital projects primarily comprise annual replacement programs with two notable projects:

- East St. Albert Water Supply Main at $4.4 million in 2012
- South Campbell Storm Water Facility at $6.2 million in 2013

Utility Debt: The Utility Fund is currently debt free and there are no future borrowings projected as part of the 10-Year Capital Plan.

Developer Levies: Developers will be funding the full construction cost of utilities within the expansion, or annexation area, through offsite levies for utilities of $2,175 per unit (2009) in the existing boundaries to $6,920 per unit (2009) within the expansion area, although these costs are subject to change based on a review of the levies. These levies will pay for 100% of new reservoirs, new water mains, and sewer trunks that benefit this area of growth.

Utility Rate Model: Using the City of St. Albert's 100-year rate-setting model, the current estimate of the long-term sustainable rate for all City utilities, in 2011 dollars and not including inflation, is $126 per month per household. Further third-party increases in the cost of water purchases, wastewater processing, and solid waste disposal fees may cause rates to increase even more for all municipalities.

Monthly Utility Rates: The average monthly bill is recommended to increase by $9.67 in 2012, $7.24 in 2013 and $7.72 in 2014. Overall, rates are recommended to increase by 9.5% in 2012, and by 6.5% in 2013 and 2014.

The proposed utility rates are provided in the table below.

Table 2: 2011 – 2014 Utility Rates

2011 -2014 Utility Rates				
	Approved 2011	Proposed 2012	Plan 2013	Plan 2014
Water Rates				
Flat Rate ($/month)	8.50	8.50	8.63	9.19
Water Rate ($/cubic meter)	1.23	1.42	1.52	1.62
Wastewater Rates				
Flat Rate ($/month)	8.50	8.50	8.63	9.19
Wastewater Rate - 80% ($/cubic meter)	1.56	1.73	1.82	1.94
Wastewater Rate - 100% ($/cubic meter)	1.24	1.38	1.45	1.55
Storm Rates - Flat Rate				
Residential - single/side-by-side ($/month)	9.84	11.44	14.56	15.50
Residential - stacked/condo ($/month)	6.80	8.91	10.06	10.71
Non-Residential ($/month)	26.81	31.18	39.66	42.24
Solid Waste Rates				
Flat Rate ($/month)	5.42	6.67	6.77	7.21
- 60 Litre Container	1.10	1.10	1.12	1.19
- 120 Litre Container	4.40	4.40	4.47	4.76
- 280 Litre Container	9.00	9.00	9.14	9.73
Refuse Stickers ($/sticker)	2.15	2.15	2.18	2.33
Weekly Curbside Recycling ($/month)	5.50	5.50	5.58	5.95
Curbside Organics	5.77	5.77	5.86	6.24
Average Monthly Bill**	**$101.95**	**$111.41**	**$118.66***	**$126.38***

* These numbers are based on 2011 dollars.

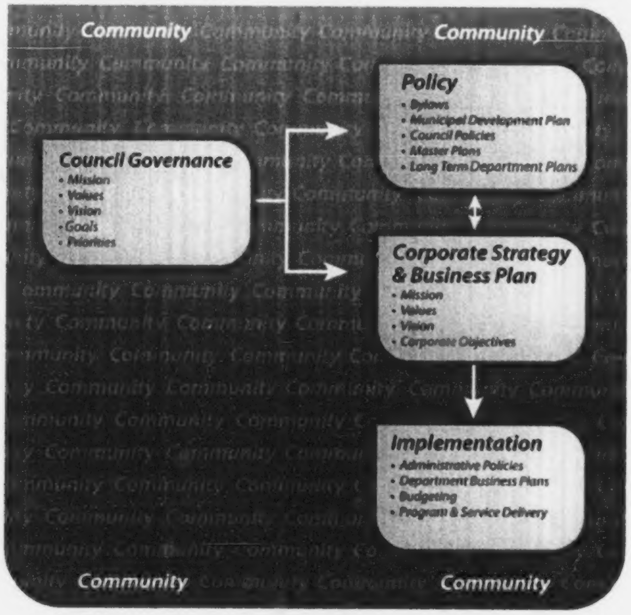
**For all utilities based on average water use of $20m^3$ and 280 Litre Container option for solid waste.

APPENDIX A: CORPORATE PLANNING FRAMEWORK

The City of St. Albert uses a Corporate Planning Framework to encompass the range of planning activities that are carried out to effectively manage the corporation. This three year Corporate Business Plan and Budget is a key element of the Corporate Planning Framework.

Figure 4 is the visual representation of the Corporate Planning Framework, depicting how the corporation's strategy and objectives emerge from Council's goals and priorities.

Figure 4: City of St. Albert Corporate Planning Framework



The Corporate Planning Framework is guided by the following:

- The **community's** vision and expectations influence Council governance and all City programs and services. We continuously gather the community's feedback and input. Some of the ways we gather the community's feedback include community consultations, community survey and Council meetings.
- **Council Governance** includes council strategy (mission, values, vision, goals and priorities), which is based on the community's vision and what Council wants to accomplish during their term.

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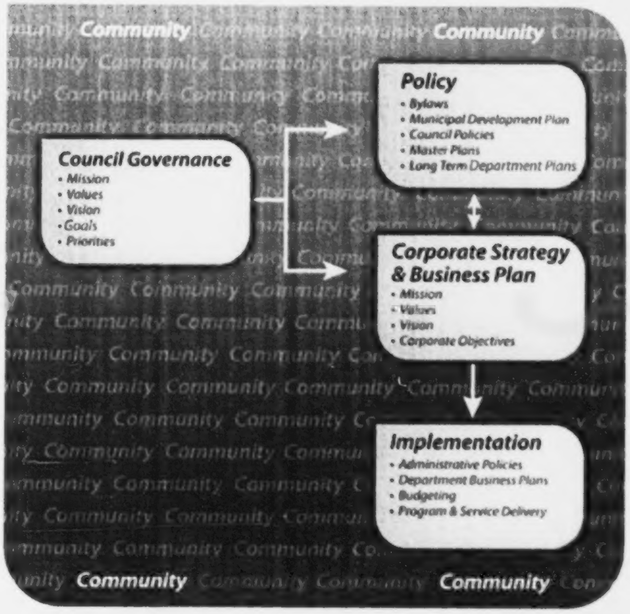

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The planning framework then organizes the three key aspects that emanate from Council's strategy:

- **Policy** – this includes bylaws and all long-term planning such as the Municipal Development Plan (City Plan), Council policies, master plans and long-term department plans.
- **Corporate Strategy & Business Plan** – this includes our three-year corporate strategy: the corporate mission, values, vision and corporate objectives as well as the corporate business plan.
- **Implementation** – this includes administrative policies, department business plans and standards, operating guidelines and budgeting. This area also includes program and service delivery.

APPENDIX B: COUNCIL GOALS AND PRIORITIES

The following goals and priorities were established by Council (Council Policy C-CG-02) and are either in progress or expected to be complete by 2013.

ECONOMIC DEVELOPMENT

GOAL: INCREASED BUSINESSES, VISITORS AND INVESTMENT ARE ACHIEVED TO STRENGTHEN AND DIVERSIFY ST. ALBERT'S ECONOMY

Priorities and Related Activities
Business Attraction and Development
Actively pursue commercial and light industrial development
Make a decision on the preferred location for a light industrial site
Maintain commitment to downtown development by reviewing and encouraging the implementation plan for the Downtown Area Redevelopment Plan (DARP)
Tourism Development
Implement Tourism Master Plan goals such as: Further vitalize the downtown area Increase accommodation options for those visiting St. Albert Promote current and future tourist attractions and events
Complete work on Phase 1 of the Heritage Site
Promoting St. Albert
Build marketing capacity to promote the city and support attraction of residents, businesses, visitors and investment
Ensure "The Botanical Arts City" brand takes root throughout the community

LAND-USE PLANNING

GOAL: NECESSARY DECISIONS ARE MADE TO SUPPORT PROGRESS OF UNDEVELOPED AND INFILL AREAS

Priorities and Related Activities
Expedite sound decision-making on commercial and light industrial development
Expedite sound decisions on the land areas designated as Future Study Area to allow for development
Make necessary updates to the Municipal Development Plan (MDP) to remove all references to Smart Growth from the MDP policies and definitions
Complete and review infill guidelines to ensure they are well integrated with existing neighbourhoods for Multi-family development and Single family development

SAFETY AND HEALTH

GOAL: INITIATIVES ARE IMPLEMENTED TO AUGMENT SAFETY AND HEALTH FOR ST. ALBERTANS

Priorities and Related Activities
Safety
Complete the Long-Term Policing Plan that includes a review and recommendations for the policing model, levels of service and necessary resources to assist with community safety
Implement Neighbourhood Development initiatives that strengthen community safety and unity
Develop a series of performance indicators related to community safety
Health
Complete work of the Physicians Attraction Task Force and review their recommendations

SOCIAL

GOAL: PLANS AND INITIATIVES ARE DELIVERED TO STRENGTHEN ST. ALBERT'S SOCIAL FABRIC

Priorities and Related Activities
Strengthening our Community
Enhance neighbourhood development through the creation of community associations, as an element of the overall City's Community Development Plan
Complete the Culture Master Plan to guide cultural investments and programs
Complete the Recreation Master Plan to guide recreational investments and programs
Develop a neighbourhood cleanliness program
Initiate a Social Master Plan to review and address the social needs of the community
Housing
Finalize affordable housing initiatives: • Habitat project • Provincially approved project(s) • Basement Suite Program
Determine the future of the rent subsidy program
After provincial decision on 2010/2011 affordable housing grants, determine future funding plans

INFRASTRUCTURE

GOAL: APPROPRIATE INFRASTRUCTURE INVESTMENTS ARE MADE TO MEET THE COMMUNITY'S NEED FOR MOBILITY, RECREATION, COLLABORATION AND BEAUTIFICATION

Priorities and Related Activities
Complete Ray Gibbon Drive
Secure provincial funding to complete construction of Ray Gibbon Drive stage 3
Riel Area Enhancements
Complete construction of Phase 2 of Riel Park
Make decisions on development of Phases 3 and 4 for Riel Park
Enhance Public Transportation
Perform and assess a handibus trial for return medical trips to Edmonton
Secure funding for south park and ride
Plan for the future of LRT to St. Albert
Community Amenities
Enhance entrances to the city with new entrance signs and landscaping
Beautify St. Albert Trail through improvements to roadway medians
Complete Lacombe Lake and Levasseur Dog Parks
Promote the Memorial Bench Program as one approach to enhance park areas for residents and visitors
Civic Infrastructure
Develop a plan for the future of buildings: • Fire Hall #1 • Hemingway Centre • Community Support Centre
Make a decision on a facility life cycle and maintenance policy
Acquire land for municipal purposes

ENVIRONMENT

GOAL: INITIATIVES ARE SUPPORTED AND IMPLEMENTED TO ENSURE PRESERVATION AND ENJOYMENT OF NATURAL AREAS

Priorities and Related Activities
Natural Areas
Review and implement opportunities related to the Sturgeon River
Advocate for Lois Hole Centennial Provincial Park (LHCPP) development Pedestrian bridge from Enjoy Centre Outdoor park and interpretive centre development Boardwalk development in the wetlands
Protect the White Spruce Forest Designate the White Spruce Forest as a municipal heritage site Establish a stewardship plan for the White Spruce Forest area
Continue to implement Parks and Open Spaces Management Plan
Environmental Plans
Implement Environmental Master Plan Goals such as: • Air quality station advocacy • Water and energy efficiency in new development • Solid waste and organic recycling program changes • Augment disposal options at the recycling yard
Continue implementation of the environmental management system that adheres to the International Organization for Standardization (ISO) 14001 standards.

COUNCIL GOVERNANCE

GOAL: POLICIES, PRACTICES AND AGREEMENTS ARE EVALUATED TO REDUCE RESIDENTIAL TAX BURDEN AND IMPROVE OPERATIONAL EFFICIENCY AND ACCOUNTABILITY

Priorities and Related Activities
Council Operations
Evaluate need for full time Council
Maintaining Fiscal Focus
Practice fiscal restraint
Review appropriate fiscal policies
Conduct efficiency assessments of internal departments and external agencies
Address recommendations within the Hay Group's compensation review
Review expiring agreements with external organizations and examine alternatives
Review application and reporting processes for City grants to community groups
Evaluate the 2011 budget process
Connecting our Community and the Region
Consider recommended changes to public communication and consultation processes

150TH ANNIVERSARY

GOAL: ST. ALBERTANS CELEBRATE THEIR HISTORY, ARTS AND CULTURE DURING A YEAR-LONG 150TH ANNIVERSARY

Priorities and Related Activities
Deliver exceptional year-long 150th Anniversary Celebration activities
Advocate for funding to support the operational and legacy projects of the 150th Anniversary
Support the community and it's volunteers in their provision of 150th Anniversary activities

APPENDIX C: STRATEGIC INPUTS

The City of St. Albert is exposed to external factors that are considered throughout the planning process to ensure that the City is well prepared to meet the challenge of its environment.

External factors were researched throughout the first three quarters of 2011 in preparation for development of the 2012-2014 Corporate Business Plan and Budget. Significant changes to the Canadian economy that are not captured in this section will be reviewed and considered throughout 2012 as the corporation executes the plan and budget.

The Strategic Inputs are organized in two sections

- Corporate Planning Assumptions
- Additional Strategic Inputs

Corporate Planning Assumptions

All departments used the following set of assumptions to create their 2012-2014 business plans and budgets:

<table>
<tr><th>Category</th><th>Description of the Assumption</th></tr>
<tr><td>**Assessment Growth**</td><td>It is difficult to forecast growth in the future as the assessment-based approach is really only accurate for the current year. Residential growth is expected to rebound, but slowly. Non-residential growth is expected to be moderate if land availability and servicing requirements take place as planned.
<table>
<tr><th>Year</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th></tr>
<tr><td>Residential</td><td>1.30%</td><td>2.50%</td><td>2.75%</td><td>2.75%</td></tr>
<tr><td>Non-Residential</td><td>2.30%</td><td>4.00%</td><td>4.50%</td><td>4.00%</td></tr>
<tr><td>Overall - Weighted</td><td>1.40%</td><td>2.70%</td><td>2.90%</td><td>2.88%</td></tr>
</table>
Assessment growth that occurs in a particular year is used to calculate the tax rate in the following year.
Source: Assessment</td></tr>
</table>

Category	Description of the Assumption
Capital Funding	Capital funds will be used strategically based upon demands identified through business planning, using the Long Term Financial Plan and 10-year Capital Plan to optimally allocate funds. **NDCC (Federal Gas tax)** 2012: $3.26 million 2013: $3.26 million 2014: $3.26 million **Basic Capital Transportation Grant** 2012: $3.6 million 2013: $3.6 million 2014: $3.6 million **Municipal Sustainability Initiative (MSI)** 2012: $11.5 million 2013: $11.5 million 2014: $11.5 million **Capital Envelope*** 2012: 12.4 million 2013: 12.4 million 2014: 12.4 million *Includes borrowing for Ray Gibbon Drive Stage 3. *Source: Finance*

Category	Description of the Assumption
Civic Space Needs	The City continues to experience a number of space constraints and space challenges. These space challenges are present both within civic operations and with agencies that are operating and/or managing services or programs on the City's behalf. As both operating and capital resources remain constrained, Administration will need to find creative ways to address space challenges until more detailed plans are established and funding options approved. In addition to space constraints, the City will continue to require maintenance of existing buildings which may need to be addressed through a planned maintenance lifecycle plan. **Downtown Area Redevelopment Plan (DARP)** The DARP was presented to Council in July 2010. The DARP provides a vision and guidelines for future development of Downtown. Included are possible locations for civic uses. A number of projects that have been identified in DARP include: Cultural Building, Library, Millennium Park, and Parking Structures. *Source: Senior Leadership Team*
Council Priorities	Departments reflect Council's priorities within individual Department Business Plan and Budgets. Council's priorities are organized by the following goals: • Economic Development • Land-Use Planning • Safety and Health • Social • Infrastructure • Environment • Council Governance • 150th Anniversary Celebrations *Source: Council*

Category	Description of the Assumption
Economic Stability	**Gross Domestic Product** Gross Domestic Product (GDP) is the total output of goods and services in the economy. The level of GDP growth is important because it can be interpreted as follows: A reduction/increase in GDP growth indicates a slowdown/expansion in the economy and will make people more cautious/optimistic with regards to jobs and income. Negative GDP growth triggers discussions about a recession (defined as two subsequent quarters of negative GDP growth), which tends to dampen consumer confidence. The economy is expected to grow in 2012, 2013 and 2014 adding potentially to input costs. The Conference Board of Canada projects the percent change from Q4 of the previous year to Q4 of the current year in Alberta's GDP (at market prices) to be as follows: 2011: 3.00% 2012: 3.50% 2013: 4.10% 2014: 4.10% *Source: Corporate Strategy and Business Management (August 23, 2011)*
Elections	The *Local Authorities Act* requires municipalities to hold elections every three years. The next municipal general election will be in October 2013. The new Council will set priorities and direction for the corporation early in 2014 which may shift goals and priorities. A provincial election is expected in 2012. Political changes in the federal and provincial governments may have an impact on grants available for local governments. *Source: Legislative Services*

Category	Description of the Assumption
Environment	Departments need to consider the increasing expectations from regulatory agencies and the community in relation to environmental issues. The federal and provincial governments continue to increase legislation, regulations or guidelines in all areas of the environment including air, water and soil quality, fish and wildlife protection and solid waste and toxics reduction. At the same time staff and budget cuts to both federal and provincial governments is substantially slowing down turnaround time on applications, permits and approvals. Residents are more aware of and expect action on environmental issues such as sustainable urban development, recycling, air and water pollution, climate change, and preservation of natural areas and biodiversity. The Environmental Master Plan was approved in 2009 and it prioritizes the key environmental issues relevant to the St. Albert community and corporation. Many departments will continue to be involved in developing goals, targets and initiatives related to the Environmental Master Plan in 2012 such as a Corporate Greenhouse Gas Inventory, a State of the Sturgeon River Watershed Report and a Corporate Water Conservation Plan. The Office of Environment will also focus on corporate environmental compliance and implementation of Environmental Management Systems for separate departments and the corporation. *Source: Office of Environment*
Inflation	**Consumer Price Index:** The consumer price index is a commonly used measure of inflation. The Conference Board of Canada projects the annual average percent change to Alberta's CPI as follows: 2011: 2.70% 2012: 2.30% 2013: 2.00% 2014: 2.00% Source: Corporate Strategy and Business Management, and Finance (August 23, 2011) **Staff Wages:** Staff wages will be impacted by CPI, the labour market and the implementation of the 2010 Hay Report recommendations.

Category	Description of the Assumption
	Construction Inflation: The construction industry continues to experience inflationary increases. While the current and projected inflationary rates are lower than what was experienced in previous years (2006, 2007 and 2008), the rates are still adversely impacting project costs. In order to plan for these increases, the following inflationary values are projected as the annual average percent change over the previous year: 2012: 10% 2013: 15% 2014 15% *Source: Engineering Services* **Municipal Price Index:** Inflation impacts municipalities very differently than it impacts residents. To more accurately reflect the "basket of goods" traditionally defined by the Consumer Price Index (CPI), some municipalities have adopted the Municipal Price Index (MPI). MPI is defined as the year over year change in the price of items in the "municipal basket of goods". This basket includes such commodities as wages, contracts, fuel, utilities, materials, etc. The MPI effectively represents the increase in the municipal operating budget to "keep the lights on" or maintain current service/program levels. St. Albert's unique index includes price changes from indices published by Statistics Canada and the Conference Board of Canada. Using this methodology, the following MPI forecast rates have been calculated for St. Albert: 2011: 3.2% 2012: 3.0% 2013: 3.3% 2014: 3.1% *Source: Finance*

Category	Description of the Assumption
	Fuel: Public Works and Transit use approximately 1.5 million litres of fuel per year. Estimated wholesale costs are: Gas Prices: 2012: $1.18 per litre 2013: $1.32 per litre 2014: $1.38 per litre Diesel Prices: 2012: $1.09 per litre 2013: $1.14 per litre 2014: $1.22 per litre *Source: Public Works, Transit, and Finance* **Significant/Major Contracts** RCMP Contract The RCMP contract expires in 2012. This contract outlines the City's and RCMP's obligations and serves as the formal agreement for expectations and services provided by the RCMP. Renewal of this contract may result in additional changes to the plan and budget in the near future. *Source: Community and Protective Services* **Transit Contract with Diversified Transportation Limited** With the new contract the hourly cost of service increased by 10.5% on July 1, 2011 compared to the previous rate. The contract will increase by 5% in July 2012 and by 5% in July 2013. *Source: Transit*

Category	Description of the Assumption
Major Special Events	Departments need to assess the resources required to provide adequate support for each of the major events scheduled. In particular, staff need to consider additional support they may need to provide to: • various community task force events in 2012, 2013 and 2014 • 2012 Winter National Special Olympics • potential 2014 bid for 2019 Canada Winter Games Transit also needs to assess its level of involvement for each event and plan accordingly. *Source: Senior Leadership Team*
Operating Funding	**Policing:** As St. Albert has a population over 60,000, it will receive $16 per capita. Current funding for policing in St. Albert is $962,000. **Ambulance Services:** Ground ambulance services were transferred from municipalities to Alberta Health Services on April 1, 2009. St. Albert is currently under contract to provide ambulance service until March 31, 2012. The City is preparing a proposal for a 5 year contract to deliver ambulance service, which, if approved, would commence on April 1, 2012. **Family and Community Support Services (FCSS)** St. Albert receives funding support for FCSS services. The funding is estimated as follows: 2012 - 2014: $1,311,600 (per year) **Municipal Sustainability Initiative (MSI)** St. Albert will receive MSI operating funding until 2016 as follows: 2012-2014: $885,000 (per year) The MSI funding has been built into the 2012-2014 budget as operating revenue. *Source: Finance*

<table>
<tr><th>Category</th><th>Description of the Assumption</th></tr>
<tr><td>Population Growth</td><td>
<p>The City conducted a municipal census in 2010. The next municipal censuses are scheduled to be held in 2012 and 2014.</p>
<p>Population growth is projected as:</p>
<table>
<tr><th>Year</th><th>Increase</th><th>Population</th></tr>
<tr><td>2010</td><td>-</td><td>60,138 (actual)</td></tr>
<tr><td>2011</td><td>1.25%</td><td>60,889</td></tr>
<tr><td>2012</td><td>1.5%</td><td>61,802</td></tr>
<tr><td>2013</td><td>1.5%</td><td>62,729</td></tr>
<tr><td>2014</td><td>1.5%</td><td>63,669</td></tr>
<tr><td>Future years</td><td>1.5%</td><td>64,624</td></tr>
</table>
<p>Population growth is estimated based on the 2010 municipal census data. The projections for 2012 and beyond are based on the Capital Region Board scenarios for population growth.</p>
<p><i>Source: Legislative Services, and Capital Region Board</i></p>
</td></tr>
<tr><td></td><td></td></tr>
<tr><td>Recruitment</td><td>
<p>The level of unemployment influences wage demands, noting that labour is a key cost for a municipality. Unemployment levels below 3% are indicative of skills shortages in a sector. Unemployment levels above 5% suggest too little activity relative to the labour force in a sector.</p>
<p>The Alberta unemployment rate dropped to 5.8% in early 2011 and is expected to gradually decline to 4.5% by 2014. As a result, vacancies for most positions will likely result in a good selection of qualified applicants, but there may still be some difficulty in attracting specialist positions such as in the area of planning and development.</p>
<p>Attrition rates rose slightly to 8.6% in 2010 compared to an all-time high of 13% in 2008. As of the end of quarter two 2011, attrition rate at the City was 6.4%. The attrition rate may even out as the unemployment rate falls.</p>
<p>The City does not expect to see any dramatic changes in the number of qualified applicants over the next three years, although by 2015 Alberta is expected to reach "full employment" and there will be increased competition for top-quality employees at that time.</p>
</td></tr>
</table>

Category	Description of the Assumption
	To attract high-calibre applicants, there continues to be a need to focus on the attributes that make St. Albert an employer of choice. *Source: Human Resources*
Regional Planning	The Capital Region Board (CRB) was established in 2008. The mandate for the Board is to develop a long range plan to manage growth in the region over the next 50 years. In March 2010 the Minister of Municipal Affairs approved the Growth Plan that focuses on Land Use, Transit, Housing and Geographic Information Services (GIS). The challenge with the CRB is the demand that it puts on staff resources in each of its key priority areas. Each area requires additional employee time to participate on technical committees, review documents and provide advice. Some communities have hired employees that dedicate time to CRB activities. The City will have to consider alternatives to resourcing activity in 2012 and beyond. *Source: Senior Leadership Team*
Reliance on Volunteers	Evidence and research continue to suggest a decline in the overall pool of volunteer resources across Canada, although St. Albert continues to do well in many regards. Many City services and events rely on volunteers so greater attention will need to be paid to recruitment, retention and recognition of volunteers. It can be assumed that additional volunteers will be required to continue meeting the social and fundraising needs of non-profit organizations. *Source: Community and Protective Services*
Revenue from Investments	Departments need to consider what impacts declining revenues may have on their individual planning and resource needs. Departments also need to review their sources of revenue to determine if they will be affected by economic conditions. The Bank of Montreal and Royal Bank of Canada project investment income as follows: An average rate of return of 1.75% is expected to generate net income of $736,200 for each year during the 2012-14 Business Planning and Budget period. *Source: Finance*

Category	Description of the Assumption
Service Levels	Departments will need to assess the resource requirements to continue to meet existing service level standards. Balance needs to be ensured between internal and external requests for support to ensure service levels can be maintained in the City and the community. If internal service levels decrease then ultimately so will the service levels provided to the community. *Source: Senior Leadership Team and Council*
Social and Community Needs	There is an increase in number of individuals and families requiring services in our community, an increase in those requiring subsidy/rent supplement and an increase in the requirement of agencies providing social services to secure diversified funding. These increased demands create challenges for non-profit organizations and City staff alike. Furthermore, as the community experiences an increase in population the social needs of the community will grow. It is a fair assumption that St. Albert may have a number of social issues to contend with (safety, crime, drugs and alcohol, family violence, mental illness, etc.). *Source: Family and Community Support Services (FCSS)*
User Fees	All departments will apply a 3% increase to user fees unless Council policy directs a different percentage. *Source: Senior Leadership Team*
Utilities	The utility rate model will use the best information available for projecting capital projects within the City. The assumptions on population growth contained in this document should be used within the model. The rate model should also reflect no revenue from the annexation area until 2012-2013. Considering the economic conditions the revenue over the next three years would be minimal. The revenue stream for offsite levies will still occur at the building permit stage for the next year or two. It is likely that a transition period will be required in order to begin collecting funds at the development stage. For utilities, the City will endeavour to maintain a status of self-funding recognizing that financial pressures will be realized during initial phases of the annexation area. Infrastructure will have to be extended to the area one or two years prior to receiving revenue for the offsite work. Funding

Category	Description of the Assumption
	for these projects may have to come from prepayment from developers or funding from other sources. Cost increases for contracted service (EPCOR, ACRWC) will have to be assumed for the next three years. *Source: Engineering Services*

Additional Strategic Inputs

This section provides an overview of additional external factors that may have impact on managing the City.

POLITICAL FACTORS

Democratic Engagement

According to the *Democratic Engagement*[2] report, Canada is experiencing a significant democratic deficit with trust in Canadian government and public institutions. Key findings in the report include:

- fewer Canadians are voting in elections for all levels of government
- participation in formal political activities is low while participation in informal political activities is high (protesting, petitions and boycotting)
- Canadians are not satisfied with the state of their democracy
- Federal government policies have not made residents lives better
- most eligible voters are registered
- women and minorities are underrepresented in the political process
- Canadian global engagement record is poor

The Institute of Wellbeing provides the following ideas for improving democratic engagement:

- create opportunity for meaningful engagement
- seed a culture of engagement in government
- ensure more accountability and transparency in politics
- track progress on resident engagement
- invest in civic education
- make voting easier
- increase diversity in politics
- use technology better
- invest in civil society

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[2] Institute of Wellbeing, *Democratic Engagement*, January 27, 2010

- Engage Canadians about our place in the world.

A complete report can be viewed at www.ciw.ca.

The City of St. Albert may use this information to assess its engagement with stakeholders in the community and create an action plan as necessary in order to encourage more residents to vote in the next St. Albert Election scheduled for October 2013. In addition, the City could look for opportunities to engage residents in the City's planning and operations as appropriate.

Local and Regional

The Local Authorities Act
The Act requires municipalities to hold elections every three years. The next St. Albert election will be in October 2013. The new Council will set goals and priorities and direction for the corporation early in 2014 which may shift the City's strategic direction.

City of Edmonton Budget
City of Edmonton draft 2012-2014 budget proposes to reduce its percentage of capital spending by approximately 50%. This may have a positive impact on the City of St. Albert's ability to obtain better pricing for its capital projects given an overall decrease in demand in the Capital Region.

Capitalize – The Economic Roadmap for Alberta's Capital Region
In partnership with the Government of Alberta's Ministry of Finance and Enterprise, the Capital Region Economic Roadmap Steering Committee completed the Economic Roadmap for Alberta's Capital Region with the following focus areas[3]:

- to identify the challenges and opportunities facing the Capital Region economy
- to reference existing economic strategies and priorities so as to integrate them into the roadmap
- to promote economic, social and environmental sustainability across the region
- to outline the economic strategies that will be the region's focus leading to 2050

The focus of *Capitalize* was on the key Economic Drivers through which the Capital Region can realize its Vision of becoming a "City-Region of Global Significance". The following recommendations were put forward as the foundation of the Economic Roadmap[4]:

- strengthen and modernize regional management
- establish regional entity

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[3] Capitalize, The Economic Roadmap for Alberta's Capital Region
[4] Capitalize, The Economic Roadmap for Alberta's Capital Region

- establish monitoring mechanism
- develop region-wide efficiencies for business
- build tomorrow's workforce:
  - establish regional goals for high school graduation
  - establish regional goals for retention of postsecondary graduates
  - identify and meet the region's immigration requirements
  - establish goals for labour force participation of underrepresented groups
- lead in the circumpolar North's development:
  - build partnership between the Region and the circumpolar North
  - Promote the region as the preferred partner of the circumpolar North
  - establish a formal northern internet gateway
  - consider circumpolar trade requirements in planning regional infrastructure
  - develop ongoing inventory of circumpolar infrastructure and development projects
  - lobby territorial, provincial, federal and international authorities on the Region's circumpolar interests
- integrate Regional Infrastructure:
  - develop and implement a Master Transportation and Corridor Plan for the Region
  - support the Port Alberta initiative and pursue sufficient funding for its projects
- build a productive and competitive City-Region
- support development of hydrocarbons, associated environmental technologies and bio-processing
- build infrastructure that meets the needs of product development
- support product development centres in fields of competitive advantage for the Region
- reinforce efficient technology commercialization
- vibrant communities - regional partners will consider the needs of vibrant communities in all thoughts, action and policy
- stewardship of the vision - the Capital Region Board will steward the 40-year Vision by requiring Regional economic entities to report on progress and review priorities every five years

The City needs to consider the *Capitalize* report including its recommendations and possible impact it may have on the City in the future. Administration may benefit from participating in future developments and providing input to ensure the City's best interest is presented.

Provincial

The provincial political climate influences the City's planning through government priorities, policy and action, changes to regulations, approvals and funding strategies.

Provincial Priorities 2011-2014
The provincial government has set the following priorities for 2011-2014[5] that may, along with its strategies, have an impact on the City of St. Albert:

> *Resourceful and Responsible* – Ensure Alberta's energy resources are developed in an environmentally sustainable way.
>
> *A Healthy Approach* – Increase access to quality health care and improve the efficiency and effectiveness of health care service delivery.
>
> *Strong Communities* – Promote strong and vibrant communities and reduce crime so Albertans feel safe.
>
> *Create Opportunity* – Enhance value-added activity, increase innovation, and build a skilled workforce to improve the long-run sustainability of Alberta's economy.
>
> *Building Tomorrow* – Provide the roads, schools, hospitals and other public infrastructure to meet the needs of a growing economy and population.

Provincial Election
In January 2011, Alberta Premier Ed Stelmach announced that he will not seek re-election. The next provincial election is expected to take place in 2012. The new Premier will set new direction for the provincial government which may have an impact on the City of St. Albert.

2011-2012 Alberta Budget Highlights
Due to the recession being deeper than expected, government revenue is forecasted to be lower than what was originally predicted for the next two years. However, the government is expecting revenues to recover, bringing Alberta back to a surplus in 2013-2014.

The government's commitment continues to be on preserving priority programs and investing in building schools, hospitals, roads and other vital public infrastructure to meet the needs of the province and a growing economy, while holding the line on spending. The government also maintains its commitment to not raising taxes, ensuring that Alberta continues to have the lowest tax regime in Canada. The following are highlights of Alberta's 2011-2012 budget as announced by the Minister of Finance and Enterprise and the President of the Treasury Board in February 2011[6]:

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[5] 2011-14 Government of Alberta Strategic Plan, Budget 2011, Building a better Alberta

- $39 billion forecast expense in 2011-2012
- $35.6 billion forecast revenue in 2011-2012
- $3.4 billion forecast deficit in 2011-2012 and $681 million in 2012-2013
- continued government investment in priority areas
- $545 million (6%) increase to Alberta Health Services as part of a five-year funding commitment introduced in Budget 2010
- $275 million (4.7%) increase in support for school boards to pay for an already negotiated 4.4% salary increase for teachers
- $62 million increase to post secondary operating grant
- $39 million operating increase for children and youth programs including child intervention services, child care, and family support for children with disabilities
- $6.6 billion for public infrastructure in 2011-2012, which is part of $17.6 billion over the next three years for the province's Capital Plan.
- the 2011-2014 Capital Plan has $17.6 billion in infrastructure spending, including $6.6 billion in 2011-2012; spending priorities over the next three years include:
    - $5.1 billion for municipal infrastructure
    - $4.6 billion for roads and highways
    - $2.6 billion for healthcare facilities and equipment
    - $1.2 billion for schools and post-secondary facilities

Administration needs to closely monitor the province's budget and any changes that may arise due to its impact on the City's budget. Changes in the provincial budget impact the City's access to funding and grants.

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[6] Government of Alberta News release, Budget 2011, February 24, 2011

Federal

The national political climate influences the City's planning through government priorities, policy and action, changes to regulations, approvals and funding strategies. Currently, the federal government is a majority conservative government which will enable them to advance many of their policies and initiatives.

Federal Government Priorities
The federal government continues to focus on the following priorities in order to ensure a balanced budget by 2014-2015:

- supporting families and communities
- stimulating the Canadian economy
- returning to balance
- staying the course on long-term priorities

Federal Budget
The following are highlights of the federal budget that builds on previous year's actions to return to a balanced budget by 2015-2016:

- Complete strategic reviews started in 2010 to look for opportunities to decrease spending.
- Take actions to close tax loopholes.
- Launch comprehensive strategic and operating review aimed at improving the efficiency and effectiveness of government operations and programs to ensure value for taxpayer money. This review will support the return to balanced budget one year earlier, by 2014-2015.
- There will be no tax increases or cuts of transfers to pensions.
- There will be no transfers to other levels of government in support of health care and social services, equalization, and the gas tax transfer to municipalities.
- The deficit is projected to be cut from:
    - 36.2 billion in 2010-2011 to 32.3 billion in 2011-2012
    - to 19.4 billion in 2012-2013
    - to 9.4 billion in 2013-2014
    - to 0.3 billion in 2014-2015
    - With an expected surplus of 4.2 billion in 2015-2016
- Expiration of stimulus measures and the savings measures announced in the budget are expected to lower program spending from 16% of GDP in 2009-2010 to 12.9% of GDP in 2015-2016, which is in line with its pre-recession level.

- Federal debt is projected to decline to 29.7% of GDP in 2015-2016 which is close to its pre-recession level.

Canada's Economic Action Plan
The federal government announced the next phase of Canada's Economic Action Plan, A Low -Tax Plan for Jobs and Growth. The federal government plans to maintain its focus on the priorities set in the plan in order to return to a balanced budget by 2015-2016. The following priories are set out in the Economic Action Plan[7]:

- Support Job Creation
- Fostering Canada's Business Advantage
- Investing in a Cleaner Energy Economy
- Strengthening Canada's International Engagement
- Maintaining Canada's financial Sector Advantage
- Strengthening Canada's Public Infrastructure
- Supporting Canadian Agriculture
- Supporting Forestry
- Supporting Families
- Supporting Canada's Seniors
- Supporting our Families
- Supporting Vibrant Communities
- Protecting Canada's Natural Environment
- Public Safety, Security and Justice
- Investing in Innovation, Education and Training
- Driving Innovation – Canada's Digital Economy Strategy
- Strengthening Canada's Research Advantage
- Fostering Commercialization and Business Innovation
- Promoting Education and Training
- Preserving Canada's Fiscal Advantage and Plan to Return to a Balanced Budget

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[7] Canada, The Next Phase of Canada's Economic Action Plan – A Low-tax Plan for Jobs and Growth, The Budget in Brief, June 6, 2011

More detailed information is available in the document, "The next phase of Canada's Economic Action Plan – Low-tax plan for jobs and growth, The Budget in Brief", June 6, 2011.

The City needs to continue to monitor the federal government's budget and program spending as it may reduce grants and funding usually received from the federal government.

International

Events occurring outside of Canada have a potential to influence matters within our own borders. Of most importance is the political climate in the United States, Canada's largest trading partner.

The US economy is the largest and most important economy in the world. In 2010, the US economy was responsible for 20.2% of the world's total GDP. However, the US economy is now facing its greatest challenge since World War II[8]. The US economy is struggling with recovering after the 2008 financial crises which has resulted in very low consumer confidence, thus slow economic growth since 2008.

In early August 2011, President Obama signed the debt ceiling bill and the US Senate voted in favour of the bill to raise the government's debt ceiling by at least $2.1 trillion and cut federal funding spending by 2.4 trillion over 10 years. President Obama believes this bill is the first step to ensure "the country lives within its means", however, further steps will need to be made to cut the deficit for the long-term health of the US economy[9].

The credit rating agency Standard and Poor's (S&P) downgraded the US debt rating for the first time since the country won the top ranking in 1917 due to dissatisfaction over the US government failing to cut enough government spending to satisfy S&P. This downgrading may result in a less favourable view of US debt by potential buyers unless interest rates paid on US bonds, notes and bills rises to attract buyers[10].

The US economy and downgrade of the US credit rating could impact on Canada despite current measures in place to deal with potential economic troubles. Canada is trading nation with deep linkages with the US economy. Canada's Finance Minister stated that Canada is well positioned to face global headwinds[11].

Canada's international trade and investment policy will continue to focus on developing stronger ties with the United States and maintaining a relationship with the European Union; however, for the well-being of the Canadian and Alberta's economy a stronger relationship and enhanced economic exchanges, especially with India and China, will need to be developed. China is expected to overtake the US as the world's largest economy by 2035[12].

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[8] http://www.economywatch.com/world_economy/usa, Retrieved on August 11, 2011
[9] http://www.cbc.ca/news/world/story/2011/08/02/debt-deal-vote.html , Retrieved on August 2, 2011
[10] http://www.cbc.ca/news/business/story/2011/08/05/standard-poors-us-credit-rating.html, Retrieved on August 5, 2011
[11] http://www.cbc.ca/news/politics/story/2011/08/06/pol-us-credit-flaherty.html, Retrieved on August 6, 2011

Administration needs to be aware of the events taking place outside of Canada due to their potential impact on Canada's and Alberta's economy, which may ultimately impact the City.

ECONOMIC FACTORS

Alberta has recovered from the recession and is expected to have one of the strongest economies among the provinces but with slower growth expected in 2012.

In addition to GDP and CPI information provided in the Corporate Planning Assumptions section of the Strategic Inputs, the following economic indicators are of importance to the City.

Employment Earnings
Growth in average weekly earnings is expected to be 3.70% in 2012, 3.40% in 2013 and 3.50% in 2014[13].

Oil Price
The constant price of oil is expected to average $99.68US/barrel in 2012, $101.38US/barrel in 2013 and $99.03US/barrel in 2014[14].

Financial
The Canadian dollar has remained strong compared to the US dollar. Currently, one Canadian dollar buys $0.95[15] US dollars. It is forecast that the Canadian dollar will remain strong through 2012. A high increase in the Canadian dollar can have a negative impact on exporters in Canada but increase the purchasing power of importers.

The overnight interest rate is forecast to continue to increase and reach 2.75% by the end of 2012[16].

SOCIAL FACTORS

Aging Population
Demographic projections by Statistics Canada indicate that between 2015 and 2021, the number of seniors is expected to surpass the number of children under the age of 15. It is also expected that as many as one in four Canadians will be a senior by 2036, nearly double the 13.9% recorded in 2009[17]. Consequently, federal, provincial and territorial ministers responsible

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[12] http://www.economywatch.com/world_economy/usa, Retrieved on August 11, 2011
[13] Conference Board of Canada, August 17, 2011
[14] Sproule, Summary of Price Forecasts (Real$2010), As of August 31, 2010
[15] http://www.bankofcanada.ca/rates/exchange/daily-converter , Retrieved on October 3, 2011
[16] http://ca.reuters.com/article/businessNews/idCATRE77I61V20110819
[17] Government of Alberta, News Release July 7, 2010

for seniors have made this topic their priority and are continuing to take steps to share ideas and develop plans that will ensure support and active involvement and mobility of seniors throughout Canada.

The aging population in St. Albert is also increasing and with that a need for associated civic services such as access to medical help, support for caregivers, as well as a need to address social isolation and social, recreational and lifestyle needs.

Interprovincial migration and immigration
Alberta's population growth continued to improve in 2011 mainly due to interprovincial migration and significant moderation in net outflow of non-permanent residents. As of April 2011, the province's total population increased by 55,800 persons (1.51%) from the same time period in 2010[18]. Although this is higher annual growth than 2010 (1.38%), it is lower population growth than seen in previous years that ranged from 3.03% in 2006 to 2.49% in 2009.

International immigration increased with 5,741 permanent residents moving to Alberta in the first quarter of 2011. Although this is a 15.1% drop from 2010, it is still the third highest level recorded for the same quarter over the past four decades[19].

Affordable Housing
Alberta continues to be challenged with a lack of affordable housing and a large homeless population. As a result, the Government of Alberta continues to emphasize affordable housing needs specifically through the Alberta Housing and Urban Affairs strategic priorities outlined in the 2011-2014 Business Plan[20]:

- Goal One: Low-income Albertans have access to a range of safe and affordable housing options and supports.
    - Continue to implement the Safe Communities initiative including access to rent supplements, community and affordable housing.
    - Continue to provide capital funding to support the development of 11,000 affordable housing units by 2012.
    - Develop a five year affordable housing plan to enable the ministry to assist those most in need.
    - Develop a strategy to leverage assets.
- Goal Two: Homeless Albertans have access to stable housing and the supports they need to reach their highest level of independence.
    - Through Alberta Supports move towards resident-centered programs and services that are more effective, appropriate and easier to access.

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[18] Government of Alberta, Quarterly Population Report, First Quarter, June 2011
[19] Government of Alberta, Quarterly Population Report, First Quarter, June 2011
[20] Housing and Urban Affairs, Business Plan 2011-2014

  - Continue to implement A Plan for Alberta: Ending Homelessness in 10 Years through Housing First approach.
  - Support emergency shelter operations.
- Goal Three: Pressures related to housing and homelessness in urban centres are effectively managed.
  - Continue the development of Parsons Creek land to address housing pressures in the Regional Municipality of Wood Buffalo.
  - Collaborate with Capital Region Board to support planning initiatives and implementation of regional housing plans.
  - Collaborate with stakeholders and cross-ministry partners to develop solutions that enhance understanding of urban issues surrounding homelessness and affordable housing.

Alberta's population is expected to continue to grow with slower but steady growth in 2012.

Joint Government funding
In July, federal, provincial and territorial ministers responsible for housing announced a $1.4 billion combined investment toward reducing the number of Canadians in housing need under a new Affordable Housing Framework 2011-2014. The framework recognizes the diversity of affordable housing needs of Canadians thus making it more flexible for provinces and territories to invest in a range of programs and initiatives designed to achieve the overall intended outcome. Initiatives under the framework can include new construction, renovation, homeownership assistance, rent supplements, shelter allowances, and accommodations for victims of family violence[21].

TECHNOLOGICAL FACTORS

There are numerous technologies that have the potential to impact City operations. More municipalities are taking advantage of technology to improve operational efficiency and service delivery. The City must remain aware of these technologies and adapt as appropriate in order to remain connected to the public, provide more efficient and convenient access to its services and improve efficiency of internal operations.

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[21] Canada Mortgage and Housing Corporation, retrieved on August 7, 2011

Social Media and e-Commerce

Social Media and e-Commerce are leading the way among online technologies being utilized more frequently by businesses in the private and public sector. This is primarily due to its effectiveness of reaching the public, establishing and maintaining relationships with the business community, residents and visitors, communicating marketing products and events, and providing convenience for accessing programs and services.

There is an increasing number of municipalities across Canada that have realized the benefits of using social media such as Twitter, Facebook, LinkedIn and various blogs in order to build brand, share information, connect with businesses and residents, notify the community of various programs, initiatives and special events, solicit input and for corporate recruitment.

The key challenge with social media is the expectation that is created once an organization decides to participate. Consequently, dedicated resources are required in order to fully benefit from social media initiatives and other online technologies including the development of user policies and compliance with the *Freedom of Information and Protection Privacy Act.*

Other technologies that the City can take advantage of include:

- Online Land Inventory Data Application
- Online Human Resources Management Systems
- Databases and electronic business management applications
- New smart card technology for transit buses
- New environmental monitoring capability to maintain environmental data

GIS (Geographic Information Systems) Technologies

There are a number of trends that are driving the direction of municipal GIS today: mobile GIS, web mapping, Government 2.0, and system integration.

Mobile GIS is one of the fastest growing areas of the GIS industry and a trend that is looking to revolutionize the way some municipal GIS is carried out. Mobile GIS refers to the digital capture or editing of GIS data while outside of the office environment. The technology used includes GPS (Global Positioning System) handheld units or small handheld/tablet computers. While traditional GIS information was captured by GIS-trained staff, mobile data capture is generally carried out by lay staff using simple applications and forms. This empowers non-GIS staff to take ownership of information used in their daily jobs and creates efficiencies in the information capture process. An additional benefit is that GIS staff can then spend time on more complex activities. Public Works and Engineering departments are the largest municipal users of this type of technology.

The explosive growth of Internet use by the general public has meant an increased expectation of being able to conduct municipal-related business remotely. This includes communications, complaints, licence fee payments, licence renewals, fine payments, information queries, etc. In many cases the Internet is now the primary source of municipal information, meaning increased expectations as to what information is available and how interactive the information should be. Interactive maps are now expected to be available on municipal websites and are now the norm instead of the exception. Static PDF maps are decreasingly seen as acceptable.

While technology tends to be the major driver of GIS technologies, the business use of GIS is also constantly evolving. The current evolution of GIS in local governments has seen the technology move from primarily supporting infrastructure and land management to supporting every aspect of municipal government, including emergency services, community support services, legal and legislative services, recreation planning, and even financial reporting. There is also a growing trend towards regional sharing of GIS information between municipalities in order to support an integrated approach to growth and development planning that is forcing municipalities to look beyond their borders with respect to information access and management. The need for integration of information between applications and databases is increasing as municipalities try to leverage more value out of what they already have and break down barriers between business areas. The newest trend is towards an open-data philosophy whereby government data is made freely available to the general public in an unfiltered machine-readable format.

Records Management

The City of St. Albert is required to comply with all legislated requirements for corporate records management. The *Freedom of Information and Protection of Privacy Act* requires public bodies to collect and store records in a way that ensures the security of protected information and the requirement to produce records when requested and within legislated timelines. Consequently, an efficient records management system is crucial for efficient collection, storage, retrieval and distribution of records.

In addition to meeting legislated requirements, businesses invest in an efficient records management system due to its importance in corporate disaster recovery planning. Efficient records management enables businesses to restore quickly with all key historical records required for their operation.

MEDIA ATTENTION

This assessment is based on hard news stories in local and regional media rather than opinion pieces or letters to editors. Media attention in St. Albert has increased over the last four years.

First Quarter Findings:

From January through March 2011, there were 367 news stories. Many of the high interest topics during the first quarter of the year pertained to the automated solid waste and organics collection changes; St. Albert firefighters raising funds for Muscular Dystrophy; the 55 Plus Winter Games; and the launch of the Articulture Festival.

Second Quarter Findings:

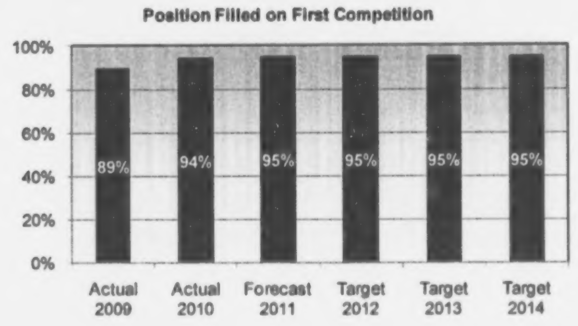
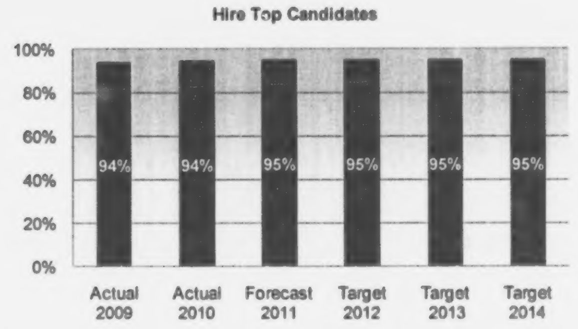
From April through June 2011, there were 335 news stories. A major contributor to the large number of stories for the second quarter was the International Children's Festival, which had 15 stories. Other stories that had a high profile were focused on the Freedom of the City and the addition of a third ambulance to Emergency Services.

APPENDIX D: PERFORMANCE MEASURES AND TARGETS

The City uses a set of performance measures to measure and report on achievements and progress to date for each of the Corporate Objectives and relevant Council Priorities. These performance measures become a part of the Corporate Business Plan and Budget and performance results are reported to Council and the public through Corporate Quarterly Reports.

The following section outlines the performance measures and targets for each of the corporate objectives, linking these to Council Priorities.

Attract and retain high quality employees

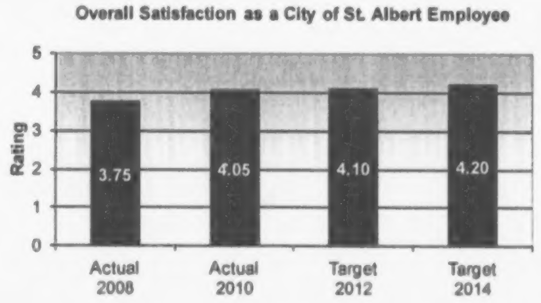
Performance Measures	Targets
Percentage of times a position is filled on the first competition Frequency: Annually *Source: Human Resources*	
Percentage of top candidates who accept offer of employment Frequency: Annually *Source: Human Resources*	

Overall employee satisfaction

Frequency: Bi-Annually

Source: Human Resources

Note:
1 - Very Poor
3 - Average
5 - Very Good



Employee engagement index

Frequency: Bi-Annually

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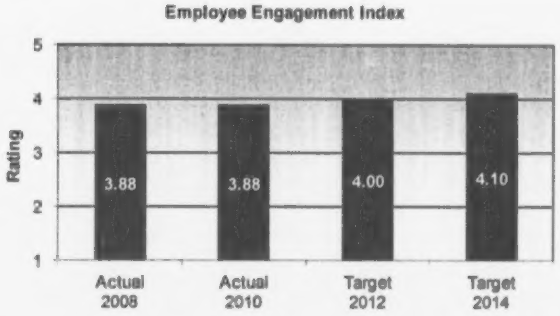
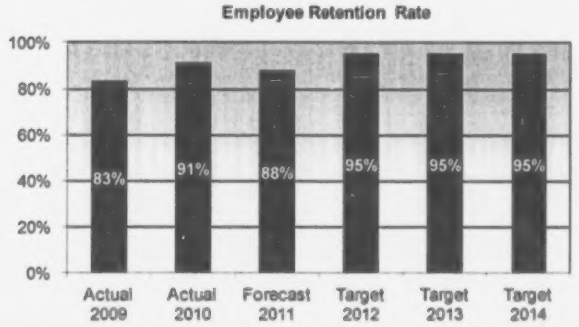


Retention rate of employees

Frequency: Annually

Source: Human Resources



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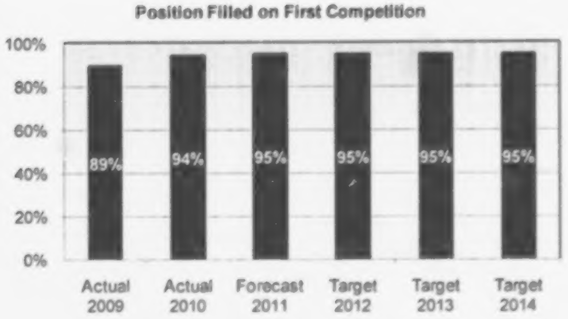
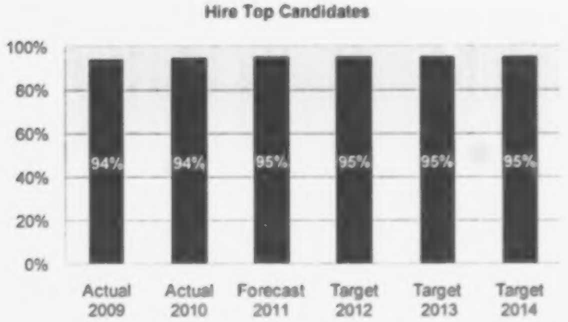
Percentage of times a position is filled on the first competition Frequency: Annually *Source: Human Resources*	
Percentage of top candidates who accept offer of employment Frequency: Annually *Source: Human Resources*	

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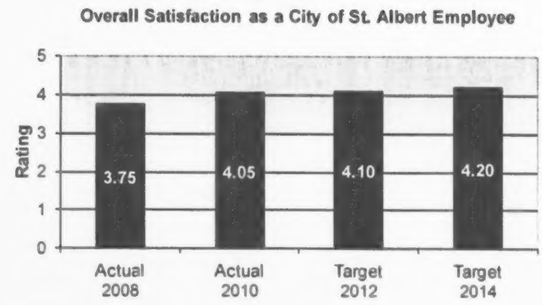

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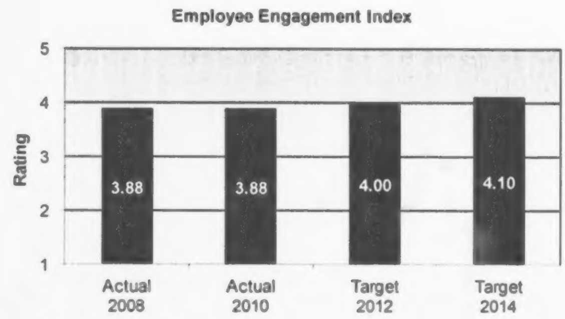

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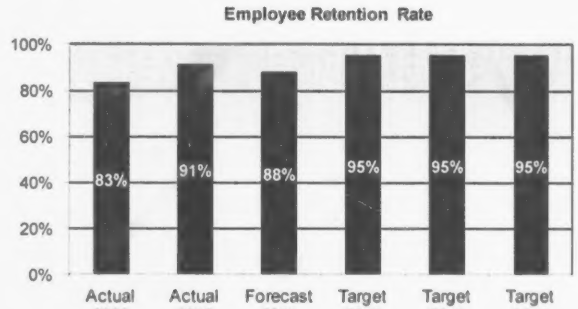


Workplace Safety

The City qualifies for Worker's Compensation Board premium and discount by passing annual safety audit

Frequency: Annually

Source: Human Resources

Note: To pass the audit, the City needs to receive 80% overall score.

Year	Audit Result
Actual 2009	92%
Actual 2010	90%
Target 2011	95%
Target 2012	93%
Target 2013	93%
Target 2014	93%

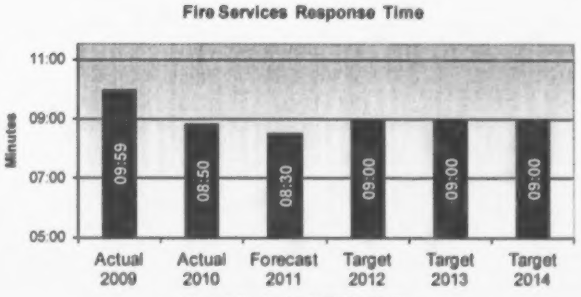
Deliver programs and services that meet or exceed our standards

Performance Measures	Targets
Council Priorities that are aligned with this Corporate Objective: • Safety and Health • Environment • Social • 150th Anniversary Celebration	In addition to Corporate Performance Measures, performance related to Council Priorities is measured by ensuring that Council approved initiatives and projects are completed on time, on budget and meet or exceed City standards.
Increase in number of assets, beyond the base line results for the 40 Developmental Assets for youth Frequency: Every three years *Source: FCSS and RCMP*	Asset Development Team will continue to activate sectors of the community (schools, congregations, businesses, families and agencies) to create an asset building culture in St. Albert. An Asset Development survey will be distributed in 2013 to youth in grades 4 through 11 to measure success of the program.

Fire services response time index

Frequency: Quarterly

Source: Fire

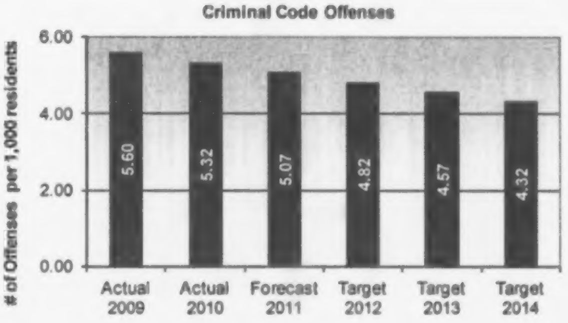


Target: 9 minutes to 90% of calls

Number of criminal code offenses per 1,000 residents

Frequency: Quarterly

Source: RCMP

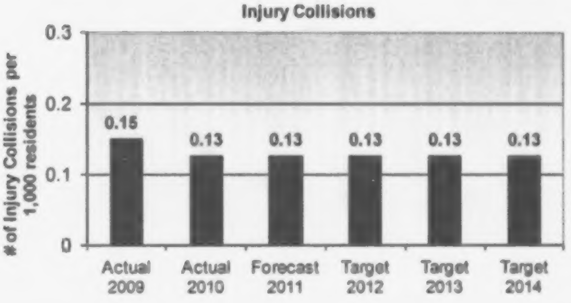


Number of injury collisions per 1,000 residents

Frequency: Quarterly

Source: RCMP

Note: In 2009, there was one fatal collision in St. Albert.



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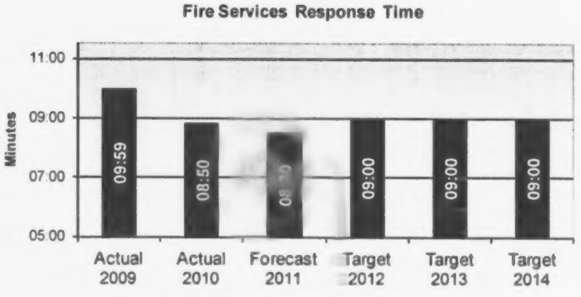
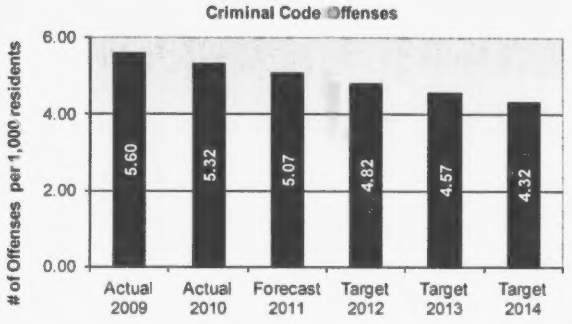


Target: 9 minutes to 90% of calls

Number of criminal code offenses per 1,000 residents

Frequency: Quarterly

Source: RCMP



Number of injury collisions per 1,000 residents

Frequency: Quarterly

Source: RCMP

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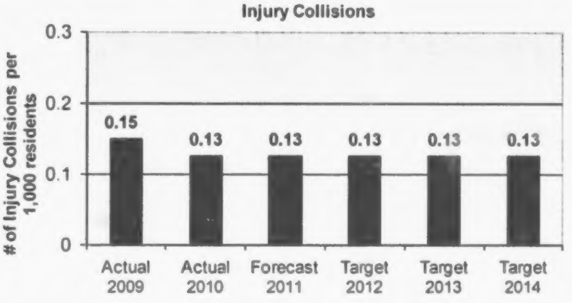
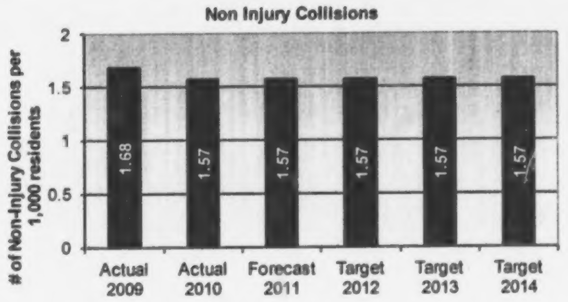


Number of non-injury collisions per 1,000 residents

Frequency: Quarterly

Source: RCMP

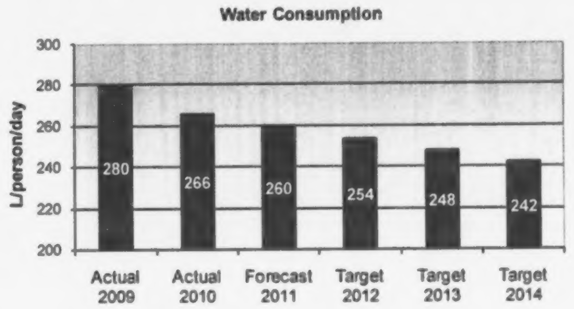


Per capita water consumption

Frequency: Quarterly

Target: Reduce water consumption to 200L or less per person per day by 2020.

Source: Engineering

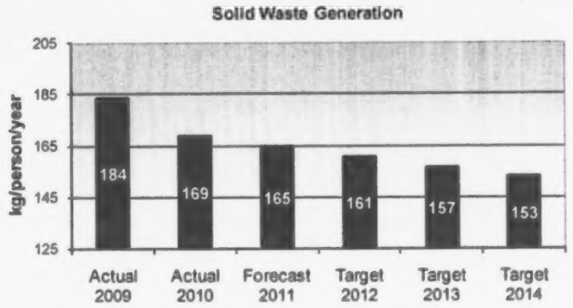


Per capita solid waste generation

Frequency: Quarterly

Target: Reduce solid waste to 125kg per person per year by 2020.

Source: Public Works

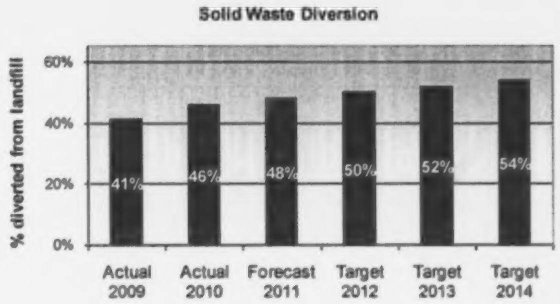


Solid waste diversion

Frequency: Quarterly

Target: Increase solid waste diversion rate to 65% by 2020.

Source: Public Works



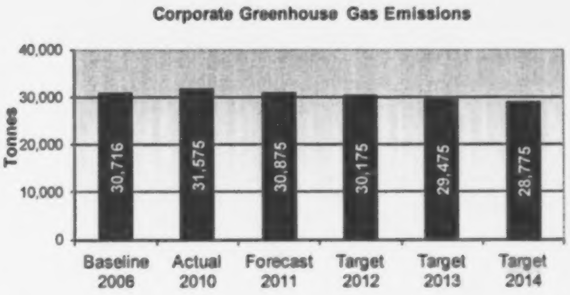
Corporate greenhouse gas emission

Frequency: Annually

Target: Achieve 20% reduction of total corporate greenhouse gas emissions from 2008 levels by 2020.

Source: Office of the Environment

Note: Baseline year was calculated in 2010; therefore, 2009 information is not available.

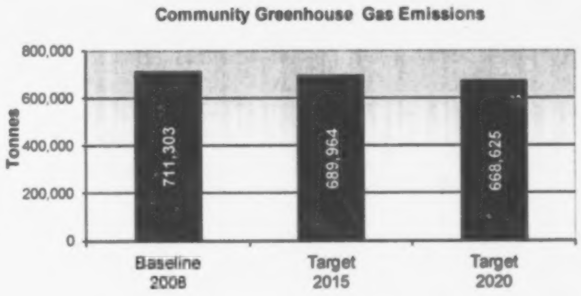


Community greenhouse gas emissions

Frequency: Every 5 Years

Target: Achieve 6% reduction of total community greenhouse gas emissions from 2008 level by 2020.

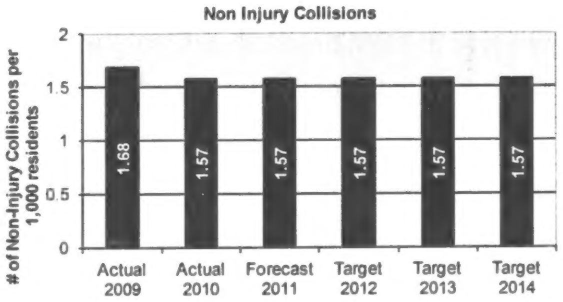
Source: Office of the Environment



Number of non-injury collisions per 1,000 residents

Frequency: Quarterly

Source: RCMP



Per capita water consumption

Frequency: Quarterly

Target: Reduce water consumption to 200L or less per person per day by 2020.

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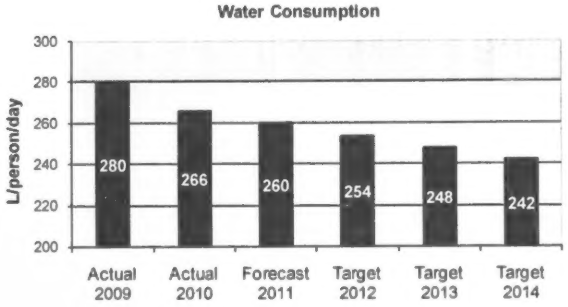
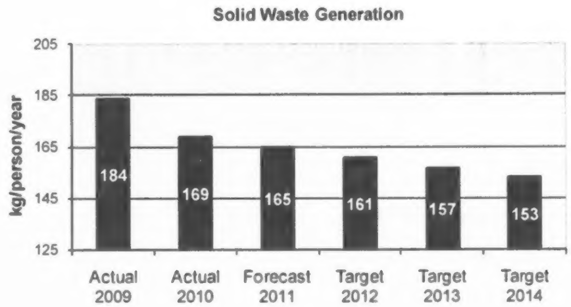


Per capita solid waste generation

Frequency: Quarterly

Target: Reduce solid waste to 125kg per person per year by 2020.

Source: Public Works



Solid waste diversion

Frequency: Quarterly

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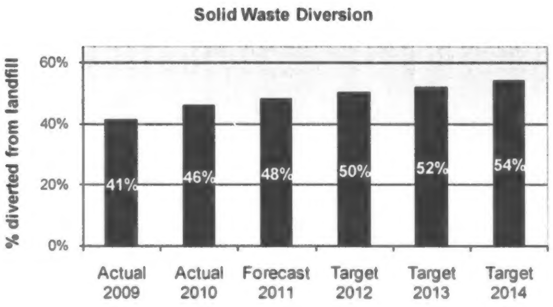

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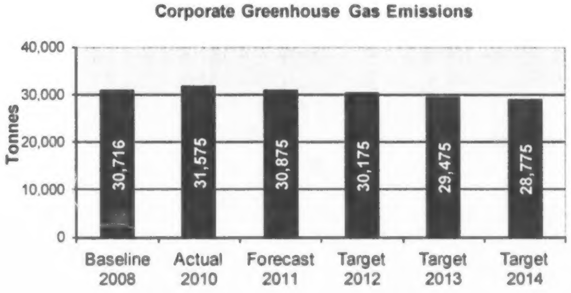

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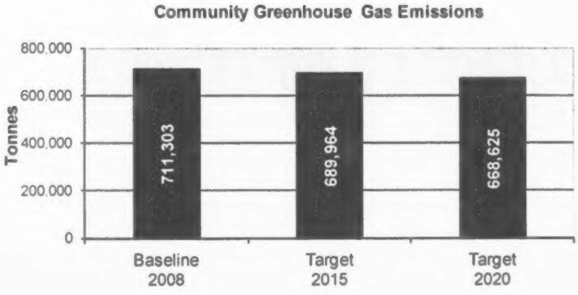
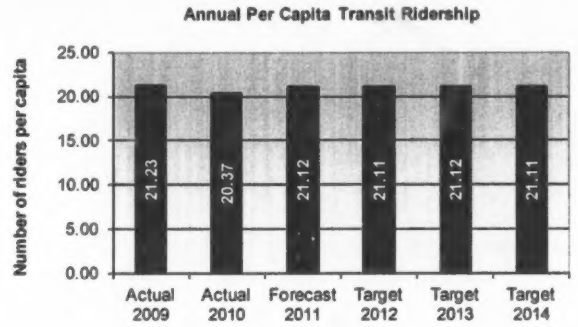
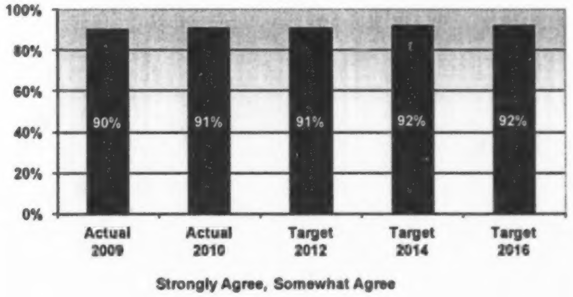
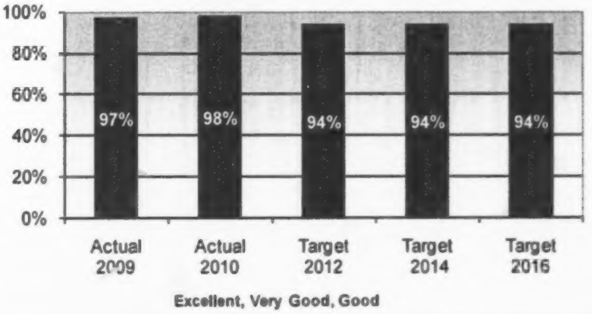


Annual per capita transit ridership Frequency: Quarterly *Source: Transit*	
Number of 150th Year Celebration activities that occur in the city Frequency: Once *Source: Culture*	Administration assumes that all Celebration activities will be completed by the end of 2011 and it is assumed that this performance measure will be removed for the 2012-2014 Corporate Business Plan and Budget.

Ensure our customers are very satisfied

Performance Measures	Targets
Council Priorities that are aligned with this Corporate Objective: - Safety and Health - Council Governance	In addition to Corporate Performance Measures, performance related to Council Priorities is measured by ensuring that Council approved initiatives and projects are completed on time, on budget and meet or exceed City standards.
Percentage of residents that agree St. Albert is a safe place to live Frequency: Bi-Annually *Source: Corporate Communications & Marketing (Community Satisfaction Survey)*	**Level of Agreement that St. Albert is a Safe Place to Live** 
Percentage of residents that rate the overall quality of life in St. Albert as positive Frequency: Bi-Annually *Source: Corporate Communications & Marketing (Community Satisfaction Survey)*	**Overall Quality of Life in St. Albert** 

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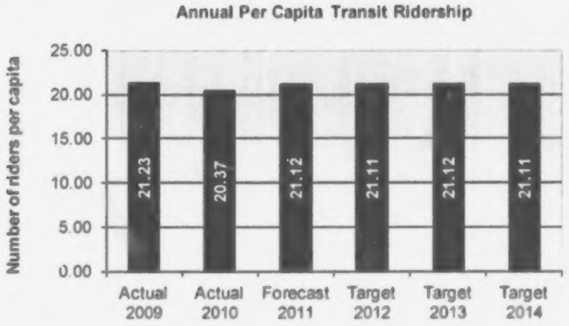
Frequency: Quarterly

Source: Transit



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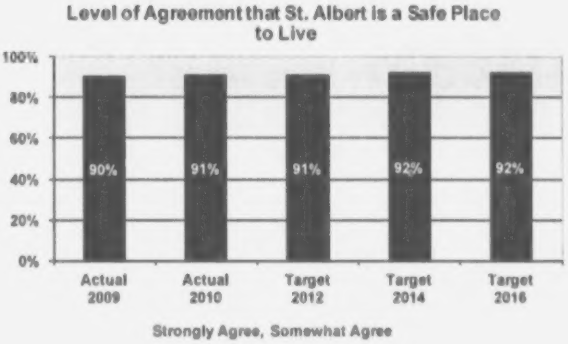

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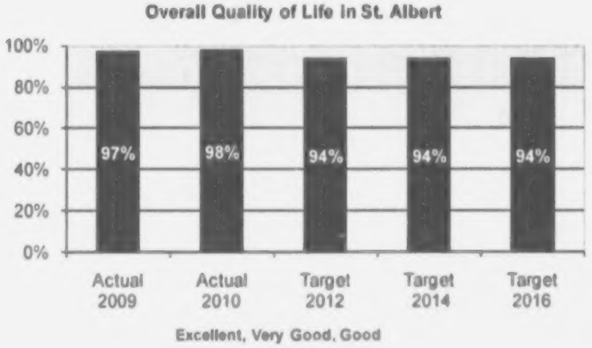
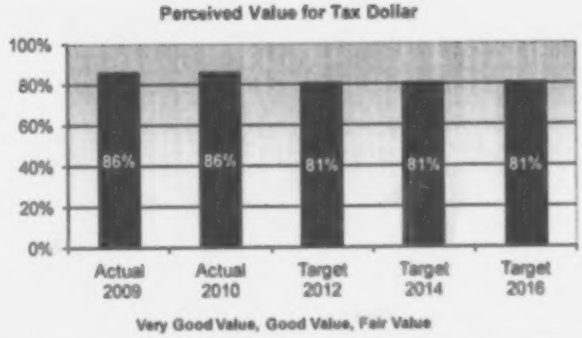
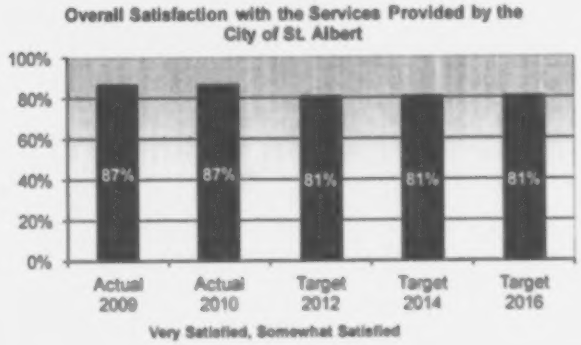
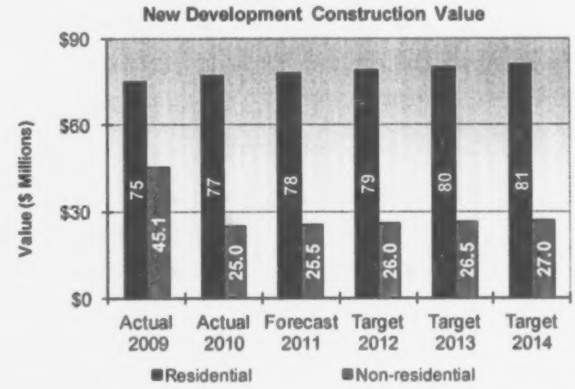
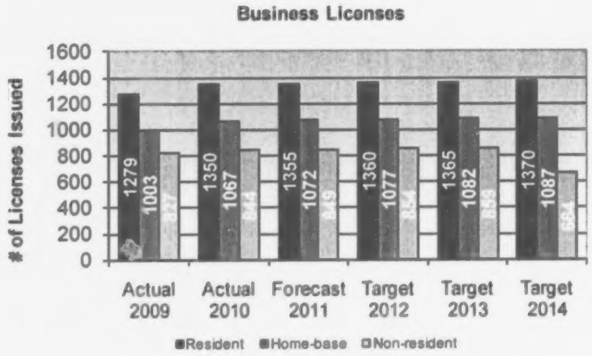


Percentage of residents that perceive value for tax dollar Frequency: Bi-annually *Source: Corporate Communications & Marketing (Community Satisfaction Survey)*	
Percentage of residents that are satisfied with the services provided by the City of St. Albert Frequency: Bi-Annually *Source: Corporate Communications & Marketing (Community Satisfaction Survey)*	

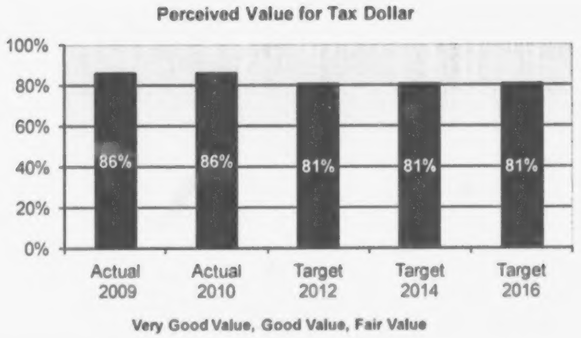
Exercise strong fiscal management

Performance Measures	Targets
Council Priorities that are aligned with this Corporate Objective: • Economic Development • Land-Use Planning • Infrastructure • Council Governance	In addition to Corporate Performance Measures, performance related to Council Priorities is measured by ensuring that Council approved initiatives and projects are completed on time, on budget and meet or exceed City standards.
New development construction value ($) Frequency: Quarterly *Source: Planning and Development* Note: Forecast and Targets are based on 1.5% growth rate assumptions for residential and 2% for non-residential.	
Number and type of business licenses (resident; home-based; non-resident) Frequency: Quarterly *Source: Business & Tourism Development* Note: Resident businesses are businesses operating from a commercial/industrial location within St. Albert.	

Percentage of residents that perceive value for tax dollar

Frequency: Bi-annually

Source: Corporate Communications & Marketing (Community Satisfaction Survey)



Percentage of residents that are satisfied with the services provided by the City of St. Albert

Frequency: Bi-Annually

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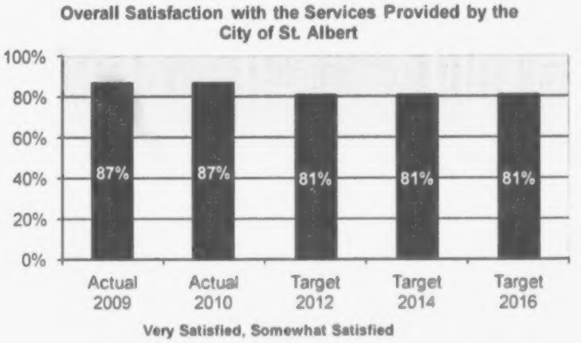

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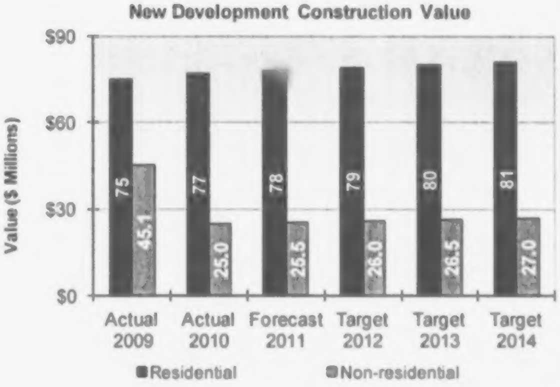
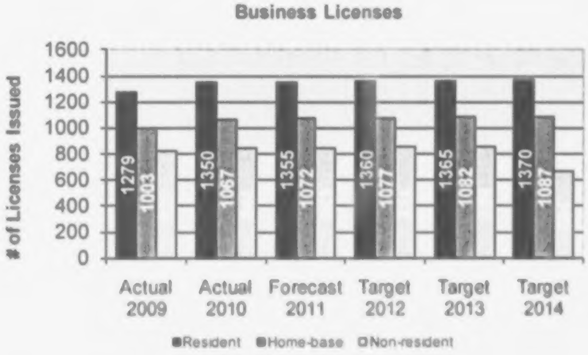
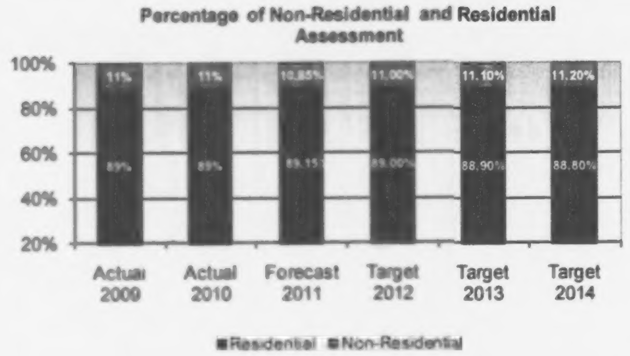
New development construction value ($) Frequency: Quarterly *Source: Planning and Development* Note: Forecast and Targets are based on 1.5% growth rate assumptions for residential and 2% for non-residential.	
Number and type of business licenses (resident; home-based; non-resident) Frequency: Quarterly *Source: Business & Tourism Development* Note: Resident businesses are businesses operating from a commercial/industrial location within St. Albert.	

Percentage of non-residential and residential assessment i.e. 80/20

Frequency: Annually

Source: Assessment

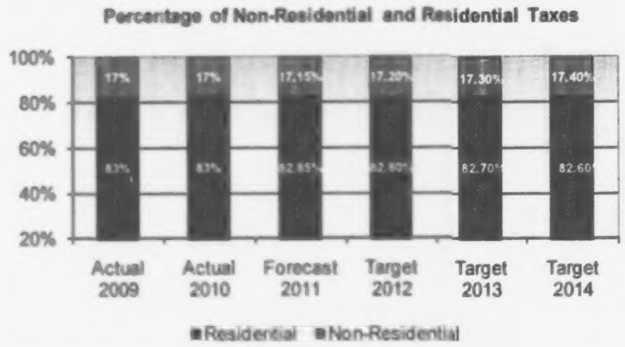


Percentage of non-residential and residential tax revenue

Frequency: Annually

Source: Assessment

Note: A simple adjustment to the tax rate can shift these percentages.

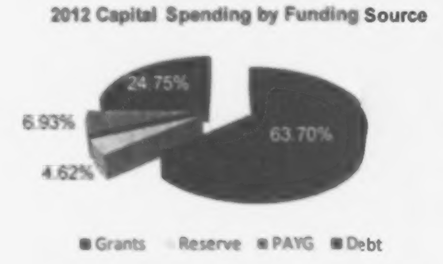


Municipal Capital spending by funding source

Frequency: Annually

Source: Finance

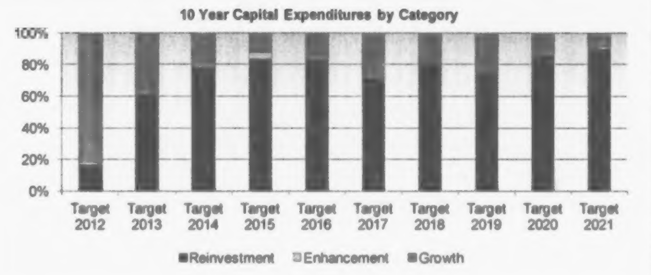
Note: Pay As You Go (PAYG)



10-year capital plan by expenditure category (re-investment, enhancement and growth)

Frequency: Annually

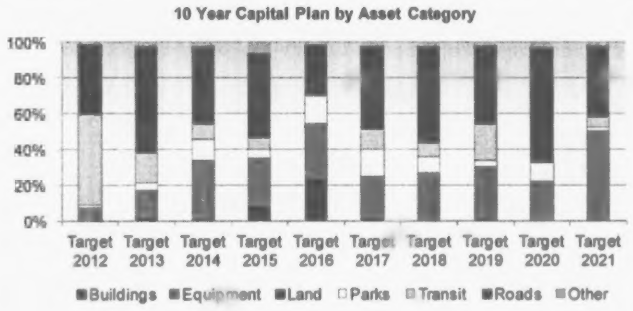
Source: Finance



10-year capital plan by asset category

Frequency: Annually

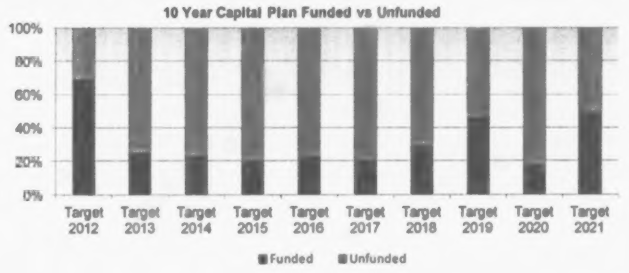
Source: Finance



10-year capital plan – funded vs. unfunded

Frequency: Annually

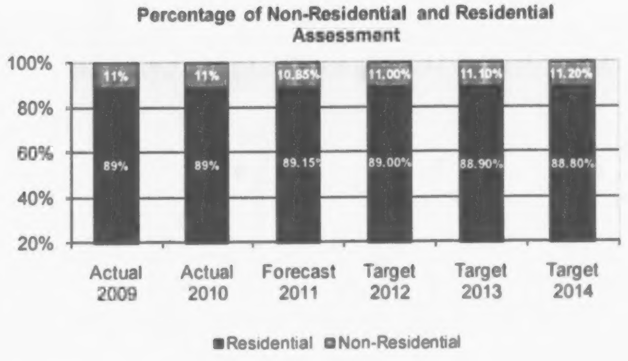
Source: Finance



Percentage of non-residential and residential assessment i.e. 80/20

Frequency: Annually

Source: Assessment

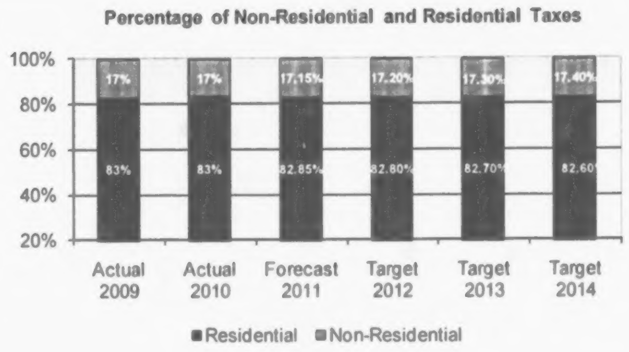


Percentage of non-residential and residential tax revenue

Frequency: Annually

Source: Assessment

Note: A simple adjustment to the tax rate can shift these percentages.

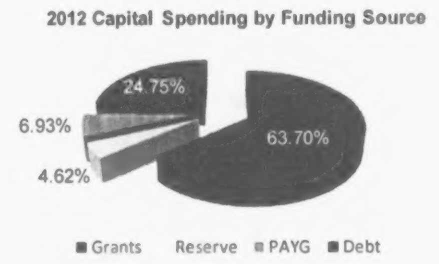


Municipal Capital spending by funding source

Frequency: Annually

Source: Finance

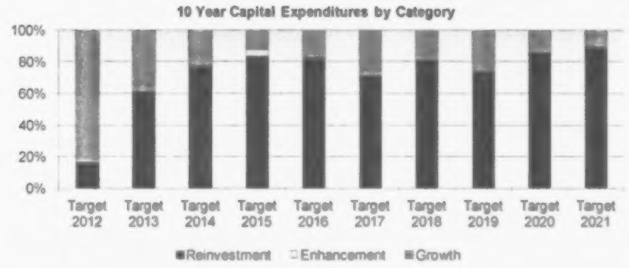
Note: Pay As You Go (PAYG)



10-year capital plan by expenditure category (re-investment, enhancement and growth)

Frequency: Annually

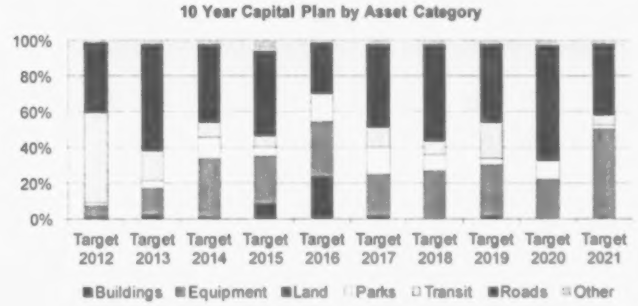
Source: Finance



10-year capital plan by asset category

Frequency: Annually

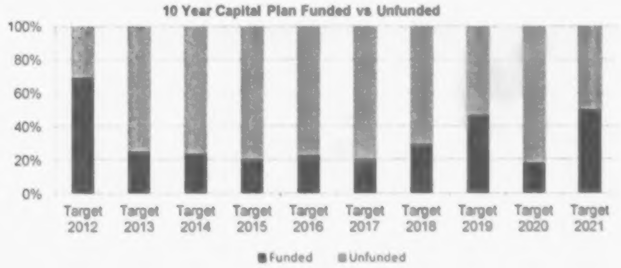
Source: Finance



10-year capital plan – funded vs. unfunded

Frequency: Annually

Source: Finance



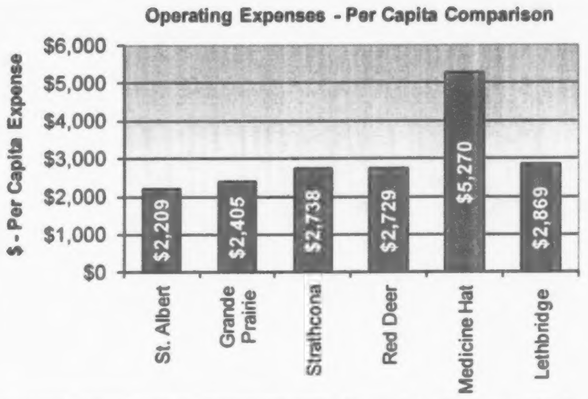
Cost per capita for municipal services compared to other municipalities

Frequency: Annually

Source: Finance

Source: Alberta Municipal Affairs, 2010 Financial Indicators

Note: Due to recent accounting changes, City of Medicine Hat expenses include costs related to gas and electric utilities.

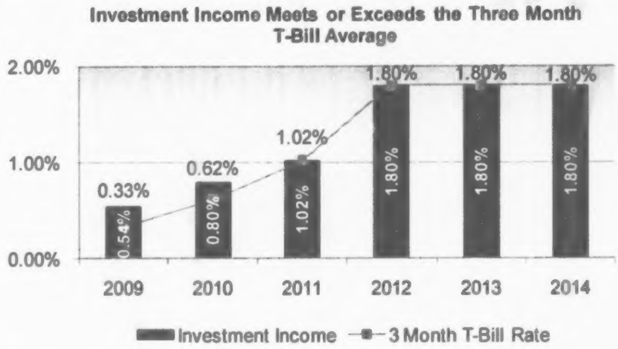


Investment income meets or exceeds the monthly T-Bill rate

Frequency: Annually

Source: Finance

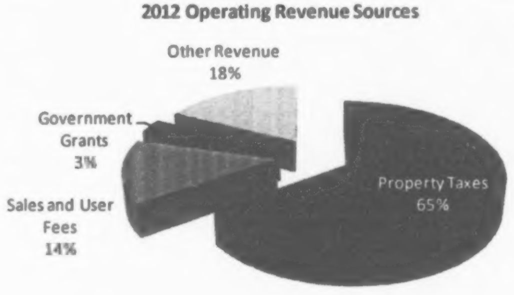
Source: BMO Capital Markets Economics July 15, 2011



Sources of operating revenue

Frequency: Annually

Source: Finance

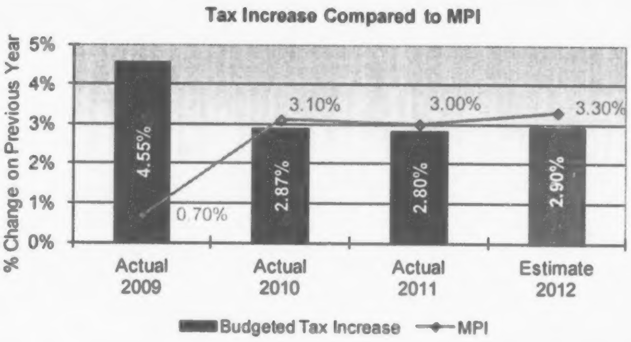


Percentage of residential tax increase to maintain service levels compared to Municipal Price Index (MPI)

Frequency: Annually

Source: Finance

Note: Council will approve tax rate for 2012 in December. This graph will be updated at that time.



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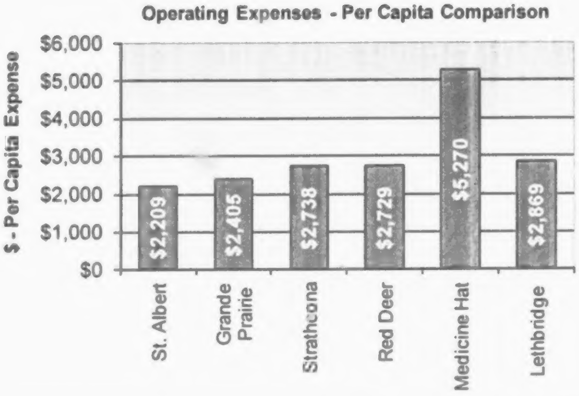

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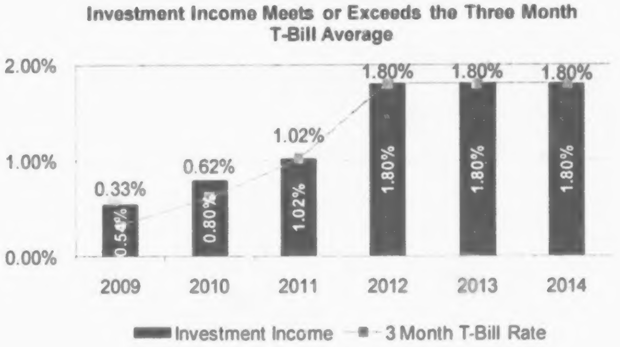
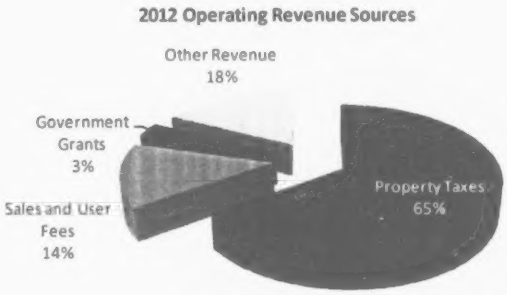


Sources of operating revenue

Frequency: Annually

Source: Finance



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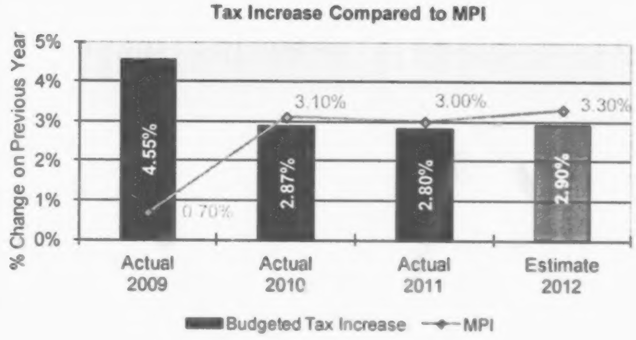

APPENDIX E: GLOSSARY OF TERMS

BSS	Business and Strategic Services Division
CM or CMO	City Manager's Office
Consumer Price Index (CPI)	A consumer price index (CPI) is a measure of the average price of consumer goods and services purchased by households. It is one of several price indices calculated by national statistical agencies. The percent change in the CPI is a measure of inflation. The CPI can be used to index (i.e., adjust for the effects of inflation) wages, salaries, pensions, or regulated or contracted prices. - Wikipedia
Continuous Improvement	The process of systematically analyzing and reducing redundancies, raising productivity and adjusting practices to reflect a changing environment (including the needs of customers and employees).
Corporate Objectives	Administration's translation of Council's direction into corporate-wide expectations.
Corporate Planning Framework	The comprehensive assortment of documents ranging from the very long-term strategic to the immediate-term tactical plans, including everything from statutory and legislative elements, to policy and governance documents, Master Plans, Long-Term Department Plans, Long-Term Financial Plans, as well as three-year Business Plans for the Corporation and its departments.
CPS	Community and Protective Services Division
CS	Corporate Services Division
Goal	Goals describe what should be accomplished during Council's term in office in order to achieve their vision.
Initiative	Major undertakings, either directed by Council or identified by Administration, that are important components of the business plan (e.g. address user fees; volume of service; cost reduction; capital management).
Investments	Incremental operating or capital expenditures identified in business cases that provide justification for additional spending and support the corporate objectives.
Leadership Team	All Directors, General Managers and the City Manager
Mission Statement	The corporation's purpose that defines "***WHAT*** is our business?"
Municipal Price Index	Municipal Price Index (MPI) is defined as the year over year change in the price of items in the "municipal" basket of goods. This basket includes such commodities as wages, contracts, fuel, utilities, materials, etc. The MPI effectively represents the increase in the municipal operating budget to "keep the lights on" or to maintain current service/program levels.
Operating Business Case	A proposal for new investment in staff, program or material that supports civic operations.

P & E	Planning and Engineering Division
Performance Measure	A quantifiable expectation of what should be measured to meet Council's goals and the Corporate objectives.
Performance Target	Represents the outcome the performance measure should achieve. Can be a financial measure or an operational performance measure.
Performance Trend	Represents the results of our performance measures but does not set a target for the future. Performance trends provide us with information for making decisions.
Priorities	City Council's priority projects. Essential or required projects and activities as identified by City Council.
Project Charter	A proposal for new investment in an asset or an element of infrastructure with long-term redeeming value to the corporation.
Senior Leadership Team (SLT)	All General Managers and the City Manager.
TBD	A number to be determined prior to final draft of the business plan.
Values	The values our organization holds dear and will not compromise as the future unfolds. Describes "***HOW*** we are going to do business."
Vision	Our preferred vision of the future that defines "***WHY*** we are organized together."